

Despite Government Blockade

South Vietnam Peasants Have Thriving Trade With Reds

By David K. Shieler

CAM AN, South Vietnam, Jan. 13 (NYT).—If a villager is enterprising and daring, he can buy a bicycle tire for about \$1.40 in this tiny hamlet, carry it one mile east of here and sell it for \$4.50.

It is not an easy profit, however, for he must thread his way

through minefields and elude government checkpoints to find his buyer: the Viet Cong. Cam An straddles government-held Highway 22, some 55 miles northwest of Saigon. In the soft light of early morning, farmers leave the hamlet and walk east to till their rice paddies, which are held by the Viet Cong. Whatever goods the peasants are willing to carry in defiance of government orders, the Viet Cong will buy at exorbitant prices. Here and throughout South Vietnam, a clandestine commerce has grown up wherever the shifting, porous lines of government and Viet Cong control approach each other—along lonely canals, down winding dirt paths, in the vast sweep of rice fields and forests.

In one way, the trade has been a helpful sign that, despite the harsh rhetoric of high officials, the warring sides may develop some form of interdependence and reconciliation on local levels. This was the view of some American officials in the early months following the Paris cease-fire agreement of last January. They saw free trade as a by-product of what they hoped would emerge militarily: understandings in the field between opposing local commanders on claims to territory, areas of patrol and the like.

Some of this took place, Last July, for example, U.S. intelligence sources said that commanders of Viet Cong and South Vietnamese Army units near the Central Highlands city of Kontum agreed by radio that the Viet Cong would allow to enter a government-held village to make purchases in exchange for giving government troops permission to go hunting in some Viet Cong-controlled woods.

But South Vietnamese generals objected to such understandings and the practice never became widespread as the fighting died. Now, the sides get much of a chance to flourish before the government clamped an economic blockade on the Viet Cong, mobilizing the entire police and military structure in an effort to stop the flow of goods to Communist-controlled regions.

The trade persists, not openly and probably not in great volume, according to officials, but secretly in whatever amounts a peasant can carry when he walks to his fields or a villager can hide beneath the seat of his motorbike.

The main engine of this commercial activity is the Viet Cong's business acumen. For the Communists consistently outbid those who live in government areas, paying up to 20 percent above the normal prices for gasoline, medicine, batteries, cloth, bicycle tires and for rice, sugar, salt, tea and condensed milk.

The government argues that it also needs rice badly, as well as gasoline and other goods that flow to the Viet Cong. Furthermore, the war is still on, the Viet Cong are still "the enemy" and the economic blockade is regarded as an essential ingredient of warfare.

More than 100 miles southwest of Saigon, in a lush agricultural region accessible only by a network of canals, huge banners are hung across the marketplace in the village of Tan Hoa, declaring, "To Give Supplies to the Communists Is to Betray the Country" and "To Isolate the Enemy Economically Is to Destroy Its War Potential."

This is a long way from the language of the Paris agreement, which permits freedom of movement, and of the June 13 joint communiqué of U.S. Secretary of State Henry A. Kissinger and North Vietnamese negotiator, Le Duc Tho, which stated, "The above-mentioned prohibitions," referring to military movements into each other's territories, "shall not hamper or restrict civilian supply, freedom of movement, freedom to work and freedom of the people to engage in trade and civilian communication and transportation between and among all areas in South Vietnam."

Furthermore, the military effectiveness of the blockade is subject to conflicting estimates, with President Nguyen Van Thieu declaring that it has substantially weakened the Communists, but with some knowledgeable officials concluding that the Viet Cong still have plenty of rice to eat, although they may now have to spend more effort acquiring it and getting it milled.

Here and there, the Viet Cong have set up minor blockades of their own in an attempt to stop luxury goods from entering their areas. "The VC are trying to become self-sufficient," a Western diplomat observed, "but they're really part of the government economy."

Crosby Undergoes Operation on Lung

BURLINGAME, Calif., Jan. 13 (AP).—Bing Crosby had two-fifths of his left lung removed in an operation today after tests suggested that the singer might have cancer, his doctor said.

But an initial study of tissue removed in the operation indicated that the 69-year-old Mr. Crosby might have a rare fungus infection in the abscessed lung, said Dr. Stanley Hanfling, Mr. Crosby's family physician. He said Mr. Crosby was in satisfactory condition and tests were continuing to determine whether cancer was present.



TET IN HANOI—A young street vendor selling traditional plumes in Hanoi recently as North Vietnamese prepare to mark their first peaceful lunar new year in years.

Red Drive Seen Major Bid to Oust Lon Nol

By James F. Clarity

PHNOM PENH, Jan. 13 (NYT).—Several thousand anti-government troops have intensified their offensive against this capital in recent days, beginning what Cambodian and Western analysts describe as "a maximum effort" to topple the regime of President Lon Nol.

These analysts predict that the

Communist-led insurgents will fall in their offensive, as they did last year after U.S. bombing in support of the government was halted by an act of Congress.

The new insurgent drive has included penetration by sizable infantry forces to within six miles of the city, and within a mile of the principal airport at Pochentong.

The number of insurgent troops

involved, according to military officers in Phnom Penh and commanders in the field, is at least 3,000. The offensive was preceded by sporadic attacks with 122-mm rockets—attacks that began in mid-December and have killed at least 40 persons, mostly civilians, in the capital itself. In the same period, there have been several terrorist attacks in the city, including one on the home of Maj. Gen. Sothea Fernandez, commander of the government armed forces.

The military command says that it killed several hundred rebels last week and that only "light" government losses were sustained.

As the war here is accelerated, with the thudding of government artillery and almost constantly ordered civilians to build protective bunkers and shelters against rocket attacks, but Phnom Penh's residents are not rushing to obey the order.

The President has also announced a pay raise of almost 100 percent for soldiers, and the government says that it is taking measures to hold down the soaring cost of rice and other food.

The government-controlled newspapers are saying that the war here is regrettably being forgotten in the West because the oil crisis is getting all the attention.

Government officials and Western analysts say the Lon Nol forces are meeting the insurgent attacks on the ground and that the government air force, mostly single-engine propeller planes, is providing close and effective air support for the infantry.

No Bid Now to U.S.

At a news conference Thursday, Information Minister Trinh Hoa said that the government did not intend to ask the United States to resume direct air support at present. However, he said this did not preclude such a request in the future.

To support their prediction that the government will be able to withstand the offensive, the analysts say that Phnom Penh's army is now more experienced, better paid and more confident of its fighting ability than it was before American air support was withdrawn.

Conversely, the analysts say the insurgents were badly weakened by the American bombing and have not been able to replace the experienced soldiers they lost.

They say that the insurgents are having difficulty recruiting civilians in the countryside.

Garrison Cut Off

PHNOM PENH, Jan. 13 (AP).—There was fighting today around a government garrison about eight miles northwest of Phnom Penh, and a government armored relief column was reported stalled one mile from the camp. Parachute drops were used to resupply the surrounded garrison.

Near Frey Kile and Kau Kile, five and seven miles west of Phnom Penh, the government's forward line advanced only 100 yards before running into a wall of mortar and heavy machine-gun fire. Insurgent reinforcements were reported moving toward Phnom Penh from the west.

Insurgent forces cut Highway 4, Phnom Penh's link to the sea, at Moehasing and Talet, 39 and 41 miles west of the capital. A government force had fought for two months to open the highway and one civilian convoy completed the 147-mile trip from the port of Kampong Som to the capital on Friday.

Kuwait May Buy Communist Arms

KUWAIT, Jan. 13 (UPI).—The defense minister said yesterday that Kuwait would buy weapons from Communist East Europe if that suited the state's needs.

The minister, Sheikh Saad Abdullah el-Salem, was commenting on a report in the Kuwait newspaper Al-Sayraah that Kuwait was in contact with the Soviet Union with a view to buying weapons.

"Kuwait gets offers from all arms-manufacturing countries and it will decide to buy the weapons that suit her, whether from East or West," he said. In the past, the Persian Gulf oil-producing state has bought its weapons from the West, mainly from Britain.

Palermo's Airport Sealed After Alert

PALERMO, Jan. 13 (UPI).—A warning from Italian secret service agents of a planned guerrilla attack triggered a state of emergency today at Punta Raisi International Airport here, officials said.

Cambodian (National) policemen, public security agents and customs guards patrolled the airport, while highway patrolmen sealed the area. Officials said a flight had arrived from Rome and a military DC-3 was on the ground when the alert was received from Rome. They gave no details.

No Drop Seen In Tourism By Japanese

TOKYO, Jan. 13 (AP).—Despite higher costs, official restrictions and gloomy economic prospects at home and abroad, Japanese tourists are expected to go overseas in record numbers again this year.

That's the opinion of government officials, travel agents and airline executives here. And it spells good news for a lot of people in foreign countries who have come to rely on the free-spending Japanese for their tourist trade.

Shigeoichi Matsusato, a planner in the Transport Ministry's Tourist Division, forecast that 2.5 million Japanese may vacation abroad in 1974, an increase of about 9 percent from the 2.3 million who ventured overseas last year.

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News Analysis

Intervention in the Mideast? Political, Military Problems

By Drew Middleton

WASHINGTON, Jan. 13 (NYT).—A comment by Secretary of Defense James R. Schlesinger that there was a "risk" that military power might be used against the Arabs if oil crises become really severe has aroused a storm of protest in the Middle East.

Mr. Schlesinger's remark has also produced an acknowledgment by military circles of the difficulties of "gunboat diplomacy" in the contemporary world. Mr. Schlesinger has said since making his original comment that the likelihood of deployment of Western military power in the Middle East is "extremely low."

The United States remains dedicated to the independence, of free states, he emphasized, and that includes the states of the Middle East.

The original statement, made in a television interview that was broadcast Monday, was made in response to a question whether there might be increasing demands from Americans to show force if the Arab embargo began to hurt severely. Mr. Schlesinger conceded "that that is a risk" and added:

"We should recognize that the independent powers of sovereign states should not be used in such a way as would cripple the larger mass of the industrialized world. That is running too high a risk, and it is a source of danger, I think, not only from our standpoint but from the standpoint of the oil-producing nations."

The comments brought into the open a discussion that has been going on in the United States and Western Europe almost since the curbs on production and sales were announced during the Arab-Israeli war in October.

British members of Parliament, in official contacts in London, have discussed military intervention with American officials. The Economist, the British weekly, implied editorially that the Arabs should not omit possible military retaliation from their calculations, and a Lebanese weekly magazine, Al-Diyar, published what it described as the details of American contingency plans to occupy the Persian Gulf field.

Military sources, discussing the subject of intervention, generally are cautious. They say that such operations, which would probably involve airborne troops at the outset, might be easy to launch, but that there would be serious problems in sustaining them. Additionally, Saudi Arabia and Kuwait reportedly have mined the main oil fields to that they can be destroyed in the event of an intervention.

State Department officials and military sources also stress that any intervention would involve a serious risk of Soviet military action in the Middle East. Moreover, this might be on a scale far larger than October, when four Soviet airborne divisions and a fleet of transport aircraft were assembled, apparently to call attention to the threat of intervention in the Sinai Desert to bolster the "ominous Arab-Israeli case-fire."

A minority in the military and diplomatic community argue that the Russians would do no more than protest vehemently in the United Nations and exploit any Western political position in the Arab world. The Russians, this group says, would "understand" because they would do the same things in similar circumstances. American troops immediately

available for military operations in the Middle East consist of a reinforced airborne battalion in northern Italy that, one official said, is "examined for an emergency in the Middle East" and the Marine amphibious unit with the Sixth Fleet.

The Marine unit has a strength of 1,800 to 2,000 men. The airborne battalion has approximately 1,000 men and is equipped with transport helicopters.

On Cyprus, staging area for the ill-fated Suez adventure of 1956, a British infantry battalion and an armored reconnaissance squadron are stationed at the British base. Another infantry battalion and a reconnaissance squadron serve with the United Nations peacekeeping force.

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Brief by Nader's Lawyers

Court Told Tape May Dispute Nixon Claims on Milk Price

By Philip Shabecoff

WASHINGTON, Jan. 13 (UPI)—A tape recording of a meeting between President Nixon and dairy industry representatives in 1971 indicates that the president did not mention campaign contributions may have been made by the industry, a federal court Friday.

The motion, filed in U.S. District Court here, quoted an expert from the recording and said that the President's remarks could be construed as an expression of thanks to the industry representatives for their support.

It was the first time that any portion of the White House tapes has been put on the record, other than the minutes of the White House on June 30, 1972.

Political Act Seen

Mr. Nader and others are suing administration for allegedly using a 1971 decision to raise price supports on political considerations, including campaign contributions by milk companies.

The motion was filed for the purpose of asking the court to require the White House to turn over other tapes and documents relating to the milk case over which Mr. Nixon still claims executive privilege.

Confidential Appear

At the same time, it would seem that the White House explanation that political considerations and congressional pressures contributed to President Nixon's decision to raise milk price supports is in direct conflict with a sworn statement by former Secretary of Agriculture Earl Butte.

Mr. Butte's affidavit, filed in Mr. Nader's suit, stated that he had reconsidered his earlier decision to hold the price support level and ordered a rise in the price supports solely "on the basis of statutory criteria."

The law requires that decisions on price supports be made solely on the basis of supply, costs and farm income — exclusively economic criteria.

The White House "white paper" on the milk price support decision, issued Tuesday, rejected as "utterly false" the allegations that campaign pledges played any role in the decision-making process.

However, the paper did state that the President himself decided that "traditional political considerations," along with congressional pressures and economic evidence, dictated that the wishes of the dairymen be granted and the price support be raised.

Significant Victory

On Friedman, an American Liberties Union attorney in New York, termed the order a "significant victory" in disclosure of White House information. Government attorneys could not be reached for comment.

The ruling was made in a suit filed 1 1/2 years ago by eight plaintiffs who are suing to force disclosure of the 1968 Democratic convention in Chicago and nine other active in the anti-war movement. The suit was delayed because of criminal charges against the plaintiffs.

Mr. Robinson ruled that it was inappropriate for the Justice Department to attempt to assert national security defense and legal claims on the merits of the case.

Mr. Robinson added that the government had submitted a brief in defense of its suit, which he said was "a document of the highest quality."

They asked for detailed information about the tapes. The government must now answer in 30 days.

Mr. Robinson said that the plaintiffs are suing under the provisions of the Freedom of Information Act of 1966, which provides for suits to force disclosure of information for a day for the duration of the suit.

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to the dairymen's request to raise price supports, thus reversing a decision made only 12 days earlier by his secretary of agriculture, Clifford M. Hardin.

"I first want to say that I am very grateful for the support that we have had (inadvisable word) from this group. I know that in American agriculture you're widely recognized, that it cuts across all the farmer organizations, is represented in all the states. I know, too, that you are a group that are politically very conscious, not in any party sense, but you realize that what happens in Washington not only affects your business success but affects the economy, our foreign policy (inadvisable word) affects you. And you are willing to do something about it. And I must say a lot of businessmen and others I get round this table, they yammer and talk a lot but they don't do anything about it. But you do and I appreciate that. I don't need to spell it out. Friends talk (inadvisable word), and others keep me posted as to what you do."

Judging by the actual words used at the meeting, the motion said, "the President could be thanking the dairy farmers for their financial support," of which he had been told by Mr. (Charles M.) Colson in September with a suggestion that he "acknowledge" it... and of which he had been reminded just before the meeting that, instead of thanking them for "support" of his policies. "The difference could be crucial."

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On Friedman, an American Liberties Union attorney in New York, termed the order a "significant victory" in disclosure of White House information. Government attorneys could not be reached for comment.

The ruling was made in a suit filed 1 1/2 years ago by eight plaintiffs who are suing to force disclosure of the 1968 Democratic convention in Chicago and nine other active in the anti-war movement. The suit was delayed because of criminal charges against the plaintiffs.

Mr. Robinson ruled that it was inappropriate for the Justice Department to attempt to assert national security defense and legal claims on the merits of the case.

Mr. Robinson added that the government had submitted a brief in defense of its suit, which he said was "a document of the highest quality."

They asked for detailed information about the tapes. The government must now answer in 30 days.

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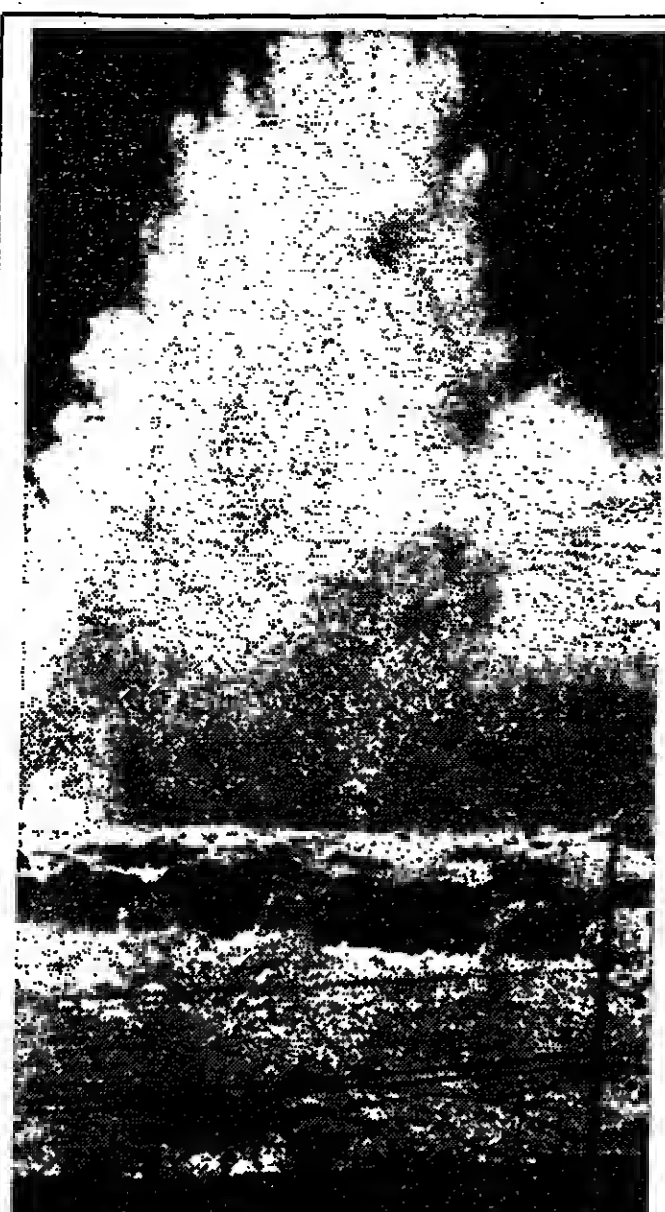
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WAVES HIT OAHU—Giant waves generated by a storm at sea smash into rocks off the northern coast of the Hawaiian island of Oahu last week. The waves caused flooding and damage to beachfront houses.

Secret Diplomacy by U.S. Led To Bureaucratic Strife in 1971

By Laurence Stern and Michael Geller

WASHINGTON, Jan. 13 (UPI)—A secret diplomacy that reversed the main currents of U.S. foreign policy led to struggles for information between the Pentagon and White House during 1971.

Knowledge of this diplomacy, which included rapprochement with the Soviet Union and China as well as a breakthrough on strategic arms negotiations, was limited to the President, his national security adviser, Henry A. Kissinger, and a few staff aides.

One former official said the security precautions applied by Mr. Kissinger constituted "a war against the bureaucracy to a remarkable degree."

Another former national security aide based in the White House said, "It was always the operating principle that important things were kept out of the National Security Council system completely." This excluded the military from virtually all

access to the diplomatic initiatives.

The atmosphere of privacy that enveloped the administration's policies extended also to the State Department and the Arms Control and Disarmament Agency, which was responsible for developing strategic arms policy.

"There was a strong feeling that the whole NSC mechanism was a shell game managed by Henry," a former official said. "It was in this context, according to informed officials, that the unauthorized transfer of NSC minutes and documents reportedly was carried out by military representatives in the White House."

The material specifically included transcripts of deliberations by the NSC's Washington Special Action Group (WSAG) on the India-Pakistan war in December, 1971. It included other records from the various NSC subcommittees over which Mr. Kissinger presided.

On May 20, 1971, Mr. Nixon and the Soviet Communist party leader, Leonid I. Brezhnev, made a joint announcement that was to break the deadlock on the first stage of the strategic arms agreement. Officials contended that Secretary of Defense Melvin R. Laird, Secretary of State William P. Rogers and Gerard Smith, chief of the SALT negotiating delegation, were not told until the eve of the announcement.

"A lot of noses got out of joint on that one," a source said. According to one former official, the military "was surprisingly docile" in its dealings with the NSC. "I am not aware of what I would call a really bruising struggle."

Mr. Kissinger anticipated organized opposition to his policies, a former official reported, but it never formed. "Much of the bitterness and bickering in the bureaucracy was based on the belief that it was a rigged game and that they would never know until the final moment what the game was," the official said.

The President announced his China trip in July, 1971, and his trip to the Soviet Union the following October. Foreign affairs strategists within the White House and State Department questioned the wisdom of announcing the trip to Moscow eight months in advance.

In January, 1971, Mr. Nixon also stunned the bureaucracy with his disclosure of Mr. Kissinger's secret diplomacy in Vietnam. The revelation of Mr. Kissinger's negotiations with the North Vietnamese was news even to many officials working on the negotiations.

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In Tour of Their Districts

2 Congressmen Find South Is Opposed to Impeachment

By Marjorie Hunter

SELMA, Ala., Jan. 13 (UPI)—From the foot of the Edmund Pettis Bridge, Watergate seems as remote as the civil rights clash that took place at the bridge's end in 1965.

For here, as in many other parts of the Deep South, the talk about Watergate and the possible impeachment of President Nixon is subdued. The few who raise the subject dismiss it as little more than a Northern liberal plot—some even suggest it is a Communist-inspired plot—to embarrass the President.

"I get the feeling that folks down here just want Watergate to blow away," Rep. Walter Flowers, D., Ala., said one day last week as he sat in his district office, just around the corner from the bridge where the Rev. Dr. Martin Luther King Jr. and his followers were abruptly halted by officers as they attempted to march to Montgomery.

Thirty or more constituents had dropped by the congressman's office that afternoon. Most of them had come to talk about their problems—veterans' pensions, inability to get enough fuel for their farm machines and Social Security benefits—rather than Watergate or impeachment.

Member of Panel

Yet, Rep. Flowers is one of the 39 men and women who as members of the House Judiciary Committee, will decide this year whether to allow a House floor vote on the question of impeaching the President.

Even more significantly, he is one of three Southern Democrats who might decide the outcome in committee. For while Democrats outnumber Republicans, 21 to 17, on the committee, the deciding votes could be cast by Reps. Flowers, Ray Thornton of Arkansas, and James R. Mann of South Carolina.

Three weeks ago, when Congress adjourned, Rep. Flowers came home to journey around his sprawling 7th District, an area embracing such conservative strongholds as Selma, the intellectual community around the University of Alabama and the highly unionized industrial suburbs of Birmingham.

He said that just one person, a university law student, had urged him to vote for impeachment.

"Most folks who mention it at all say, 'Hey, Walter, we don't want to tell you how to run your business, but we don't want the President impeached,'" he said last week.

His mind is still open on im-

peachment, he said. He wants to learn all the facts before making a judgment.

"The stench and stain of Watergate has reached us," he said at a public meeting. "But I believe, at this point, that the cloud will be lifted from the President."

Many miles away, in a neighboring Mississippi district, the 5th, Rep. Trent Lott, too, is finding little sentiment for impeachment.

"Nixon's not a dirty word down here," he said one night last week as he sat munching a piece of homemade cake in the Hattiesburg American Legion Hall.

A few minutes earlier, he had been applauded vigorously by a crowd of 100 or more men and women when he said: "I don't think Congress will impeach President Nixon."

Rep. Lott is a Mississippi Republican, a 53-year-old one-time Democrat who switched parties two years ago to capture the congressional seat vacated by his former boss, William Colmer, an ultraconservative Democrat. He, too, is a member of the House Judiciary Committee.

For three weeks now, he has been roaming through his district, speaking to clubs and schools, shaking hands around court-houses perched in the center of little country towns.

"So far," he said, "just two people, a husband and wife, have told me they thought the President should be impeached."

In Hattiesburg Legion Hall that night, no one raised the issue of impeachment.

Congressmen Filled

WASHINGTON, Jan. 13 (AP)—The National Observer reports that a poll of 377 members of the House on impeachment shows 37 percent saying no or leaning toward no, 21 percent yes or leaning toward yes and 42 percent undecided.

In a story in today's editions, the Dow Jones weekly publication said that a poll of 377 members of the House on impeachment shows 37 percent saying no or leaning toward no, 21 percent yes or leaning toward yes and 42 percent undecided.

The breakdown showed 141, including 93 Republicans and 48 Democrats, in the no column; 73, including five Republicans and 73 Democrats in the yes column; and 158, including 81 Republicans, 80 Democrats and one independent, undecided.

The yes votes were concentrated mainly in New York, Massachusetts and California.

U.S. Champion To Meet Spassky In World Chess

SAN JUAN, Puerto Rico, Jan. 13 (UPI)—American chess champion Robert Byrne and his Soviet counterpart Boris Spassky yesterday approved the table, chairs and other arrangements at the hall where they will play their International Chess Federation quarterfinal match here.

The match is one of four being played this week in different countries. The competition has a 16-game limit and is of the quick-drawdown type, in which the first player to take three games is declared the winner.

The winners of the quarterfinals will meet in the summer, with the finalists playing in the fall to determine who will challenge world champion Bobby Fischer. Fischer was expected to observe the match between Byrne and Spassky, whom he beat in 1972 for the world championship.

On Wednesday, Brazil's Henrique Mecking and Viktor Korchnoi of the Soviet Union will begin their quarterfinal match in Atlanta. In Moscow, fellow Russians Anatoly Karpov and Lev Polugavsky begin play on Thursday. Former world champion Tigran Petrosian of the Soviet Union will meet Lajos Portisch of Hungary Friday. In the first game of the match at Palma de Mallorca, Spain.

The New York Times and other newspapers reported yesterday that the spy network itself was the basis of the "national security" concern. It was only after publication of the account that some sources chose to disclose the blackmail threat.

At the time of the threat by the unidentified government official, the sources said, the White House was in the midst of secret intensive planning for Mr. Nixon's scheme at a secret briefing last summer for Sen. Sam J. Ervin Jr., D., N.C., committee chairman, and Sen. Howard H. Baker Jr. of Tennessee, the ranking Republican member.

The briefing itself arose after John D. Ehrlichman, Mr. Nixon's former chief domestic adviser, told the Senate committee in public testimony in July that the White House "plumbers," whom he supervised, had been involved in some highly classified matters, but had nothing to do with the Watergate scandal.

The private meeting was arranged, and the White House sent two of its key attorneys, Leonard Garment and J. Fred Buzhardt Jr., to brief Sen. Ervin and Sen. Baker.

It was at that session that the senators were first told of the intensive investigation by Mr. Young into the unauthorized passing of closely held information from the files of Mr. Kissinger, now the secretary of state, to the office of Adm. Thomas H. Moorer, chairman of the Joint Chiefs of Staff. Adm. Moorer's office has denied "the unauthorized gathering" of information from Mr. Kissinger's office.

Hanoi Assails Franco

SAIGON, Jan. 13 (UPI)—North Vietnam, in one of its few foreign-policy declarations, said Friday that it fully backs the "tireless struggle" against fascism in Spain. The official North Vietnam News Agency, in a commentary broadcast today, added that the internal battle in Spain against Generalissimo Francisco Franco "is considered by the Vietnamese people as their own struggle."

Ervin Sets a Condition for Ending Hearings—5 Undoctored Tapes

WASHINGTON, Jan. 13 (UPI)—Sen. Sam J. Ervin Jr., D., N.C., said yesterday that the surrender of five key White House tape recordings to the Senate Watergate committee might bring its hearings to a "very speedy end."

The tapes are recordings of conversations between President Nixon and his former counsel, John W. Dean 3d, who has testified before the committee that Mr. Nixon was aware of some Watergate cover-up efforts.

If the five tapes were given to the committee and found free of gaps and doctoring, Sen. Ervin said in a television interview in Troutman, N.C., then "I'd be inclined to say that we'd bring the hearings to a very speedy end."

However, Samuel Dash, the committee's chief counsel, said he had spoken to Sen. Ervin after the interview, and that the committee chairman's remarks were taken out of context. "I know he would not just be satisfied with getting the five original tapes," Mr. Dash said.

Mr. Dash said Sen. Ervin's remarks were intended to be tongue in cheek.

A committee suit to obtain the five tapes, subpoenaed along with other data in July, is pending here. Recently, the White House refused to honor committee subpoenas for nearly 500 tapes and documents.

Most members of the select committee were reported last week to be undecided on whether the hearings should continue.

Gen. Westmoreland Weighs Race for S.C. Governorship

By B. Drummond Ayres Jr.

CHARLESTON, S. C., Jan. 13 (UPI)—Chin in, chest out and standing sentry tall, he still looks like the commander of U.S. forces in Vietnam. But Gen. William C. Westmoreland, 69 years old and 18 months retired after a final assignment as Army chief of staff, is suddenly talking and acting like a politician.

In between writing his memoirs and reflecting on the war that left him a controversial figure, he is "seriously considering" running for governor here in his native state.

"I'm motivated toward public service," he said. "What about the war?" "I still think we're going to come out all right."

Although he has already put in 40 years in the service of his country, in retirement he works two or three days a week for the state of South Carolina, heading a panel that is trying to spur economic growth. The job has taken him into each of South Carolina's 46 counties, a fact that has been duly noted by both Democrats and Republicans.

Choosing a Party

Like Gen. Dwight D. Eisenhower, Gen. Westmoreland had no particular political affiliation when he left the Army. And as was Gen. Eisenhower, he is being wooed by both parties now that he has indicated an interest in politics.

Within the next few weeks, he will choose a party and make a final decision on whether to go after the governorship. He says: "Up to now, I've never even voted. I've always been on the road."

"It's true that I lack political experience. It's true that I sometimes seem stiff and straight-backed. But I have a lot of managerial experience and I want to put it to some good use."

Should Gen. Westmoreland side with the Democrats, his first hurdle would be a bruising primary battle with Rep. William Jennings Bryan Dorn, a representative for 23 years and a formidable force in the state party.

Should the general join the Republicans, he might avoid a tough primary, but it would put him in South Carolina's minority party.

The current governor, John C. West, a Democrat, cannot succeed himself. Gov. West was instrumental in persuading Gen. Westmoreland to retire in Charleston and work on the economic panel.

Although they refuse to disclose precise figures, leaders of both parties report having polls that show the general would make a good candidate. They do not think his association with the Vietnam war would be a drawback, mainly because Americans no longer are fighting and Southerners tend to hold the military in higher esteem than most Americans.

He has reached no conclusion yet on whether the United States should have entered the war in the first place, but he has some fixed opinions on "some of the peculiarities" after the involvement became a fact.

He says there was too much fear in Washington that the war would escalate into World War III. He thinks there should have been press censorship. He feels the draft was administered badly and put the heaviest burden on the poor.

He thinks the divisive debate over the war that racked the country for so long could have been avoided had Congress been asked to make, or had it refused to make, a formal declaration of war.

Russian Seaman Gets Quick U.S. Entry Visa

WASHINGTON, Jan. 13 (Reuters)—The United States has granted an emergency entry visa to a Russian seaman who was rescued from a rubber raft off northern Japan this month, the State Department said Friday.

A spokesman identified the Russian as Peter Nikolayevich Koryokko, 26, a navigator third class who apparently jumped off a Soviet fisheries research vessel on Jan. 3. He acknowledged that the visa had been granted more quickly than was normal for ordinary applicants.

Come to the flavor of Marlboro

Union in the Maghreb

The announced impending union of Libya and Tunisia makes better sense, geographically, historically and economically, than most of the other mergers of Arab states that were attempted by Nasser and by Qadhafi. Libya is a border land of the Maghreb, the group of Moslem territories along the Mediterranean comprising Libya, Tunisia, Algeria and Morocco. Between the deserts and the sea, these lands took on a character of their own—and as the Barbary states, it was a character of ill omen to non-Moslem maritime communities. The Maghreb, too, early established a virtual independence from the Ottoman Empire.

More recent history, however, tended to divide the Maghreb in a way that the local autonomy its segments enjoyed down to the 19th century did not achieve. Algeria was the first to fall to European conquest, and became a department of France. Tunisia and Morocco also came under French control, but later, and in different forms, with part of Morocco seized by the Spanish. Libya, or Tripoli as it was then known from its principal city, was the last to succumb—to the Italians, just before World War I. Libya was also the first, in the wake of Italy's defeat in World War II, to receive that independence which the whole Maghreb now enjoys.

Partly as a result of these differing backgrounds and partly through the variety of political experience which the portions of the Maghreb have known since 1945, the success-

ful amalgam of Tunisia and Libya cannot be taken for granted—any more than the earlier experiments of the United Arab Republic launched by Nasser or Col. Qadhafi's efforts to unite with Egypt.

On a number of practical levels, Tunisia and Libya have been cooperating. But the difference between the moderate, pragmatic government of Tunisia's sophisticated President Bourguiba and Col. Qadhafi's fierce adherence to some cloudy goal of Islamic identity and unity is as great as, say, that between the governments of Mexico and Cuba. Like Libya and Tunisia, those two states share an official tongue and a great deal of history; they have cooperated in much and hold some principles in common. But can anyone now see them with a single president and a single flag?

One might hope that the shrewd Bourguiba could temper the zeal of Qadhafi, and that the small but well structured Tunisian state might give the far larger Libya, with its great resources in oil but much more widely dispersed population, lessons in government. It would be far less reassuring for the world at large if Tunisia, that center of moderation in the Arab world, joined in Qadhafi's jihad. Much then depends on the extent to which Bourguiba, in the words of the statement issued by his foreign minister, "responds to the call for the liberation of occupied Islamic Arab territories." The fact of Libyan-Tunisian unity is to be decided by referendum. Its global implications can only be guessed at now.

Stronger Dollar

The United States dollar, less than a year ago an object of derision among foreign central bankers, speculators and even hotel desk clerks, has regained much of its strength in world money markets.

What strengthened the dollar was, paradoxically, its devaluation from the unrealistic level at which it had been pegged in relation to other currencies before the Smithsonian agreement in December, 1971. That devaluation, followed by a second devaluation in February, 1973, and by the further downward float of the dollar, has at last swung the United States balance of payments into surplus.

From a trade deficit of almost \$6 billion in 1972, this country moved to a surplus of \$776 million in the first eleven months of 1973. As a result of this improvement and a parallel betterment in the overall balance of payments, the dollar recovered much of its lost value and is now only 3 percent below its rate following the first Smithsonian devaluation.

Before the imposition of the Arab oil embargo triggered the worldwide energy crisis, it appeared that the United States might run a payments surplus of as much as \$10 billion in 1974. Even though the oil crisis has played havoc with all such predictions not only for the United States but also for Western European countries and Japan, the impact on this country is expected to be much less severe than it will be on the others.

There is likely to be a huge outflow—estimated at \$50 billion—from the industrial nations to the oil-producing countries. Yet

the United States, because of its lesser dependence on foreign oil, still seems likely to show a moderate surplus on both trade and payments. On that basis, the dollar is likely to maintain its international strength or even go up in value this year while other currencies weaken.

A further increase in the dollar's value, as a result of market action, would be no tragedy. On the contrary, since a more expensive dollar would reduce the outflow of United States goods and increase the inflow of foreign goods, it would have an anti-inflationary effect, now so urgently needed. A costlier dollar would thus help to obviate the need for export controls on goods in which there is a shortage here; direct export controls infuriate foreigners—as was demonstrated when the United States restricted the outflow of soybeans—and invite retaliation; they are, in fact, a first cousin to the Arab oil embargo.

Given the uncertainties of the world economy, it would make no sense to try to nail down the dollar at its present value. The United States Treasury has rightly changed its strategy for negotiating reform of the international monetary system. Instead of trying to work out a detailed scheme for adjusting rates and everything else, it wants acceptance of floating currencies as legal under agreed rules. Any effort to rigidly fix exchange rates under the chaotic conditions of a world caught in an energy crisis would risk adding a world monetary collapse to what already looms as a worldwide recession.

THE NEW YORK TIMES.

Peking and Taiwan

The progress made in American relations with China since 1971 has been dramatic and it has led to repeated speculation about the possibility of completing the process by establishing full diplomatic relations, clearly a desirable aim. The only real obstacle has been inability to agree about Taiwan.

What made the breakthrough of 1971-72 possible was Peking's decision that the Taiwan question was not urgent. The result, during President Nixon's 1972 visit, was a "split" or partially disagreed communiqué. Peking expressed a separate view about Taiwan, stating that it was "the crucial question obstructing the normalization of relations" and making five specific complaints about American policy there. The implication was that all five would have to be corrected before full diplomatic relations could be established.

A substantial change, however, was made in this position by Premier Chou En-lai's final draft of the communiqué he and the United States secretary of state issued at the end of Mr. Kissinger's recent visit. The new communiqué appeared to reduce the five conditions of 1972 to one: that normalization "can be realized only on the basis of confirming the principle of one China."

No mention was made, as in 1972, of American refusal to recognize Peking as "the sole legal government of China." Nor was Washington asked to acknowledge that Taiwan is a province of China and that "the liberation of Taiwan is China's internal affair in which no other country has the right

to interfere." The withdrawal of "all U.S. forces and military installations" from Taiwan was not demanded. Nor was the United States asked to refrain from "any activities" supporting such notions as "one China, one Taiwan," "one China, two governments," "two Chinas," an "independent Taiwan," or that "the status of Taiwan remains to be determined."

Some of these 1972 conditions evidently were not repeated because they were or are being substantially met. But both in 1972 and in the recent Kissinger-Chou communiqué the United States properly insisted that there are two Chinese governments with which it desires to maintain relations. The United States remains firm in its treaty obligation to defend Taiwan.

Full diplomatic relations with Peking cannot be based on an American break with Taiwan which Washington is honor-bound to reject. It could be based on Peking's acceptance of something like the German formula of "two states in one nation." But that is unlikely. The administration's main aim now is to improve the substance of exchanges with Peking rather than the form.

The progress already made could rapidly achieve—if Peking wished—virtually everything that full diplomatic relations could bring with the exception that "liaison offices" would continue to serve in place of accredited embassies and ambassadors. The Taiwan problem seems to have been tacitly—if temporarily—shelved on Peking's own initiative, which is all to the good.

In the International Edition

Seventy-Five Years Ago

January 14, 1899
WASHINGTON, D.C.—The United States Senate has adopted a resolution expressing its thanks for the services rendered by Miss Clara Barton, head of the Red Cross Society, during the recent war. This now gives her the right of admission to the floor of the Senate, even during its sessions. Miss Barton is the first woman to whom the privilege has ever been conceded.

Fifty Years Ago

January 14, 1894
NEW YORK—Dr. William Guthrie, the rector of the church of St. Mark's-in-the-Bowery, has appealed to all the Episcopal clergy to back him in his fight against Bishop William T. Manning. The Bishop is shocked at the dancing before the altar of barefoot girls clad in Greek costumes. Dr. Guthrie says he will not cancel the performance as it is a creative and beautiful Christian act.



Oil for the Arms of Europe

By C. L. Sulzberger

PARIS.—The nine-nation European community has been creaking at the seams ever since the current energy crisis began. The big question raised by President Nixon's proposed oil conference is whether it will manage to close the barn door before the horses have fled into a nationalistic jungle.

Certainly the community has not been acting as "Europe" in any united sense. It has been less coherent as a body than the hitherto disunited Arabs who didn't permit disagreements on other subjects to hinder their formulation of a joint petroleum policy. And they have since been followed, for reasons of cumulative economic logic, by such disparate lands as non-Arab Iran and non-Moslem Venezuela.

Producers that are neither Arab nor Moslem are not embargoing sales to Israel or its supporters, such as the United States and the Netherlands. Yet they have gone along with burgeoning price rises which, in themselves, comprise a form of boycott since most purchasers cannot afford any longer to buy the fuel they need.

The Fragility

These developments exposed the fragility of the European community which failed to move rapidly toward a more unified policy after it was joined by Britain, Denmark and Ireland in 1973. Indeed, its weakness was underscored by the astonishing collapse of the British economy, when coal miners chose to strike during the oil shortage, and by arguments between London, Bonn and Paris over how much money should be contributed to develop the community's backward regions.

When Secretary Kissinger spoke in London after attending the December NATO meeting, he first proclaimed the idea of a joint energy decision group linking NATO and Japanese consumers. But the idea seemed to lapse while the Common Market intensely dug its own grave.

The Netherlands, with the world's largest port, Rotterdam, serving as West Europe's petroleum entrepot, was left isolated by its community partners when the Arabs singled out the Dutch as pro-Israeli. And the chief Common Market oil users—Britain, France and West Germany—struck out on their own as national governments, ignoring the community, to make private deals.

The French agreed to sell

Mirage jet-fighters, AMX tanks and other weapons to Saudi Arabia in exchange for guaranteed supplies of petroleum over the next decade. They made a slightly smaller-scale deal with the tiny Arab sheikhdom of Abu Dhabi, whose population of 80,000 is unlikely to have much use for the arms purchased.

The British raced to make similar agreements. They arranged a contract with Saudi Arabia involving 30 million tons of petroleum a year for the next decade, against weapons systems and machinery. London's negotiators are also seeking accords with Kuwait, Abu Dhabi and Qatar, another tiny Persian Gulf sheikhdom.

Now West Germany is eyeing the market. It has not only made a deal involving its Leopard tank with Iran—not concerned with the Arab-Israeli war—but is reported to have sent discreet negotiating teams to Arab lands, although Bonn certainly prefers to exchange offmilitary industrial goods for oil.

Thus, three bellwethers of the European community flock have all struck off on their own, disregarding common obligations—and paying little heed to the Kissinger idea so far. The result has been to rock the community.

Richard Crossman, a former

British minister, assails the arms accords with the Arabs as a "critical decision to start up the Arab-Israeli arms race before the peace negotiations have got under way." Yet, despite this view, Crossman is strongly anti-European community. He wants Britain to leave it although deploring the fact that the community as a "political ideal has been shattered by the Franco-British determination to sacrifice solidarity with Holland to national greed."

The intention, lying behind Nixon's proposal to convene a conference of oil users in Washington Feb. 11 is to halt pet-mel competition between individual nations, supposed to be allies, who should be aware of common fundamental interests.

Whether too much water—or too little oil—has already flowed under the bridge to sugar much chance of success is difficult to say. Certainly the month that has elapsed since Kissinger's first proposal has been wasted by the principal consumers.

They could surely negotiate a better bargain with the oil cartel if they spoke with one voice. Let us hope it is not too late to remember this: The energy crisis could be a unifying factor rather than a source of fatal division.

Responsibility, Yes; Blame, No

By Joseph Kraft

WASHINGTON.—I did it but you can't prove it was a crime. That, in essence, is the defense merely a matter of the President wanting "the attorney general to see that his anti-trust policy was carried out."

But if the intervention by this President was so innocent, why did two of the highest officials in his administration lie to a congressional committee when questioned about Mr. Nixon's role? Why did Attorney General John Mitchell and Attorney General-designate Richard Kleindienst tell the Senate Judiciary Committee that the President had not intervened in the ITT case?

To Protect President

The almost certain answer is that the two Justice Department officials were trying to protect Mr. Nixon. But from what? Judging by internal White House memos and the case of the lobbyist Dita Beard, it is hard to rule out the ITT offer of money to hold the Republican convention in San Diego.

Similarly with Mr. Nixon's defense in the milk producers case. He acknowledges important contributions from the dairymen which were brought to his attention in internal White House memos. He also admits that he met with representatives of the milk producers at the White House on the morning of March 23, 1971. He acknowledges that on the afternoon of March 23 he ordered a little in the milk-support price which was highly favorable to the producers.

Mr. Nixon claims this decision was also an innocent one, unconnected with the milk producers' campaign contributions. He asserts that he was mainly acting under pressure from Democratic congressmen who were holding a legislative gun to his head.

But if so, why did the milk producers think they had something to hide? Why did they move clandestinely through the dummy organizations set up under the instructions of a lawyer, Herbert Kalmbach, identified as a presidential law man?

The defense thrown up in the ITT and milk producers cases is only the latest example of the same brazen tactic. Time after time, Mr. Nixon has acknowledged "responsibilities" with stories that hold together only as hedges against criminal prosecution.

Thus he acknowledged that he played a part in trying to get the Central Intelligence Agency to cover up the original Watergate burglary, but that it was for national security reasons. He admitted that he took some fishy tax deductions for personal papers, but that it was at the suggestion of Lyndon Johnson. He also concedes that he and his secretary, Rose Mary Woods, played a part in the erasure of a critical section of a critical tape—but that, of course, was accidental.

What all this means is that Mr. Nixon is prepared to hang on to it all even if he proves he is a crook. The country has to accept the challenge. The whole fate of Watergate now rests with what emerges from the investigation by the House Judiciary Committee considering impeachment, and the inquiry and trials brought by the Watergate special prosecution. There is no room for anyone to flinch from these operations.

For Mr. Nixon has shown himself to be a man without a sense of shame. He doesn't care how plain about what it means to the country, or his party or the public, for the United States to elect a President who cannot be trusted. Nor can it be claimed, as many including this writer have tried to claim, that Mr. Nixon is only the latest in a long line of imperial presidents. He has to be taken at his own value. The question he is forcing the country to answer is whether he is not the first criminal president in our history.

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هكنا من النهر

interest
alizing
éternité
need

Scientists From 17 Countries Form Antarctic Community

By David Lamb

MCMURDO, Antarctica, Jan. 13.—In all the world, there is only one truly international community where Russians and Americans work side by side, military weapons are banned, territorial claims are not recognized, and secrets are not recognized. The Antarctic community is a unique and successful, and many observers view the treaty as a model for future agreements governing space and sea exploration.

At McMurdo, the main U.S. station, the flags of 17 nations flap in the icy winds that howl across the frozen Ross Sea. A Russian meteorologist, Dr. Leonid Zhdanov, is here on an assignment conducting experiments with American scientists, and an American electronics physicist, Dr. Robert Flint, is assigned to the Soviet Union's Vostok station, 690 miles away.

A Different Feeling
"It is a different feeling in the Antarctic," Dr. Zhdanov said recently. "I am made at home here. Even during the Mideast alert, I felt no discomfort, no problems."

"This international community is very important, particularly if it means more contact economically, because economics are what define political policies. For me, I realize a world confrontation is not possible. It would destroy the world."

Part of the reason for the untrodden international cooperation is that the hostility of this continent, where entire mountain ranges are buried under nearly three miles of ice, makes it dependent on each other for survival. Perhaps more important, the effort here is scientific, and as yet nothing exploitable has been found in the Antarctic.

In addition to conducting joint scientific projects and sharing the vast information, nations help each other when necessary with supplies and transportation, operate rescue missions jointly and have joint social gatherings. Two or three times a year, C-130 pilots fly a plane-load of Americans to Vostok, and there is always a party with caviar and vodka.

Territorial Claims
The cornerstone of U.S. policy here was set in 1924 when Secretary of State Charles Evans Hughes said that the United States neither claimed nor recognized sovereignty in the Antarctic. The Soviet Union also does not recognize sovereignty.

But between 1920 and 1941, seven countries asserted claims to territory in the continent as large as the United States and Mexico. The claims of Chile, Australia and France overlapped in one case. The U.S. base at McMurdo is on land claimed by New Zealand, and the Russian base at Mirny is in a sector claimed by Australia.

To eliminate potential friction, the 12 treaty nations agreed in 1959 to hold territorial claims in abeyance and said they recognized "that it is in the interest of all mankind that Antarctica shall continue forever to be used exclusively for peaceful purposes and shall not become the scene of international discord."

Unanswered Questions
The treaty, however, leaves at least two major questions unanswered. Since this is an international community, where no nation can establish its own laws, whose jurisdiction applies to a civilian who commits a felony? And in the likely event that minerals are discovered here, to whom do they belong?

If a member of the U.S. Navy committed a crime, he would be tried under the American Uniform Code of Military Justice. But, according to a military spokesman, a U.S. civilian could commit a felony and face no punishment other than to be "kicked from the ice." There has never been a test case. Citizens of most countries, with the exception of New Zealand and South Africa, are not answerable to their own national laws here.

"As far as minerals go, this is the only continent on which natural resources haven't yet been recovered, and this could be a problem," said Navy Capt. Alfred Fowler, the military commander of U.S. operations in Antarctica.

Senate Testimony
Rep. John E. Moss, D., Calif., of the most outspoken critics efforts to open Elk Hills, has testified before the Senate Committee that it is a \$100-million property.

The oil industry just for these as Rep. Moss said. "In no way can we depend upon the prior Department to safeguard public interest, for it has an itself to be an adjunct of Jerry in such a manner as to stifle a public dialogue. The U.S. is too intimidated to act against an encroachment."

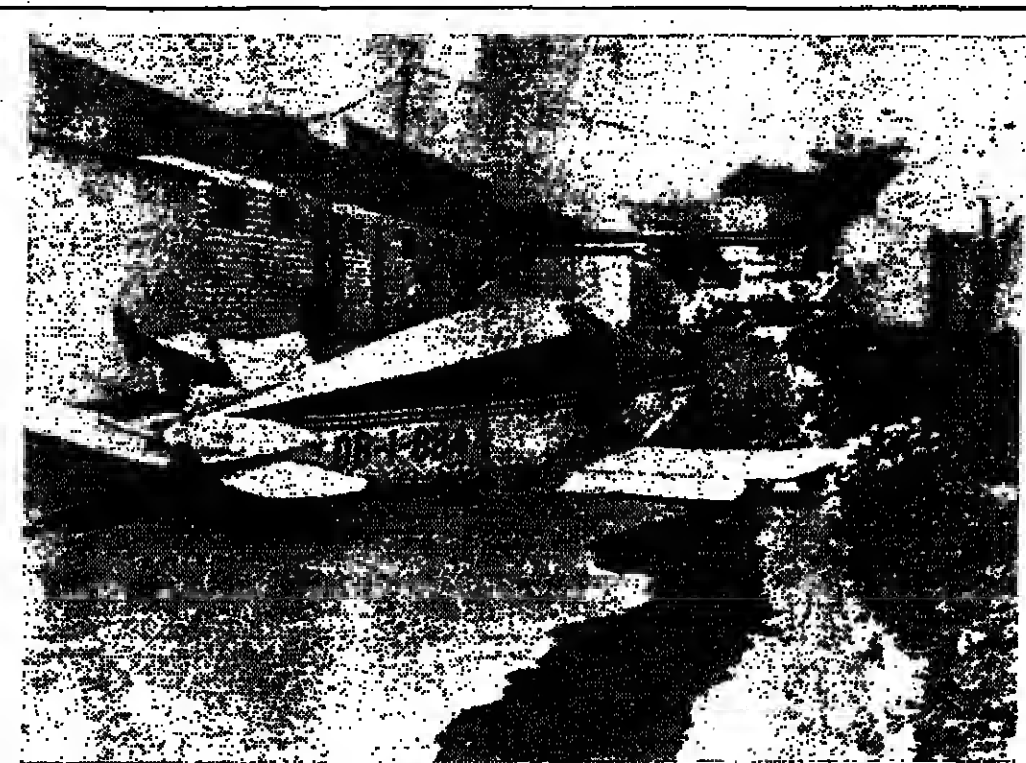
Justice Department is at best a bulldog with rubber teeth, listening only to those with an elite capacity to rationalize," he said.

The solution, he said, is to allow the Navy to retain control of reserves, with adequate funding to fully explore and map a reporting annually to Congress on what these reserves contain.

Wally Findlay
Wally Findlay, international writer, Chicago, is now in Paris.

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OOPS—Emergency landing in an area near a State University soccer field last week in the center of Lima, Peru. None of three persons aboard was injured.

Izvestia Calls

'73 a Good Year

MOSCOW, Jan. 13 (UPI).—Izvestia called 1973 the best year for the Soviet Union since the end of World War II.

The government paper gave these reasons last week: The depth and scale of positive changes in the relations between Socialist and capitalist states; the level of diplomatic activities; the number of bilateral and multilateral meetings treating world problems; improvement of the situation in the world's "hot points"; America's stopping its "shameful aggression" in Vietnam; the appearance of prerequisites for peace in the Middle East; an improved political atmosphere in Europe, including the start of talks on reducing troops and weapons.

Izvestia also cited completion of the first stage of the European Security Conference and new Soviet-American agreements as reasons why 1973 was a good year.

Malcolm X, Cleaver Inspire

Rebel Untouchables in India

By Bernard Weinraub

BOMBAY, Jan. 13 (NYT).—They have read Malcolm X and Eldridge Cleaver. They compare the Bombay slum to Watts and Harlem. They call themselves the "Dalt Panthers."

"Because I was untouchable, my presence was supposed to pollute the air," said Raja Dhole, a 30-year-old doctoral student and co-founder of the Dalt Panthers. After 26 years of independence, there is still inequality in India.

Less than two years after their founding, the Dalt Panthers have emerged as a broad-based group of angry and determined young men in Bombay, who look to the Black Panthers for vision. Although the Dalt Panthers (Dalt means "oppressed" in the Marathi language) seem an embodiment of rage and uncertain ideology, their movement has evoked considerable attention here from Socialists, radicals, journalists and students.

"Our caste and our religious texts teach that some are born to be Brahmins and some are born to be oppressed," said Bal Khairmode, a law student, sitting in the Siddharth Vihar Student Hostel in North Bombay that serves as unofficial headquarters for the Dalt Panthers.

"The people are asleep, in mental slavery. We want to awaken them."

So far, the most significant achievement of the Dalt Panthers has been to produce a body of angry and determined literature, including poems written in Marathi, the local language. The widely read Times of India recently published a special eight-page issue on Dalt literature, a new and important movement in India where a great deal has been written about harjans, or untouchables, but little of it has been by them.

"Dalt literature is an authentic breakthrough," said Dilip Padmakar, a newspaper editor who organized the supplement. "This is probably the first time in India that you've had harjans themselves contest the cultural values of Hindu society."

The Dalt Panthers were founded here in April 1972 by a group of students, including Raja Dhole and a 24-year-old poet, Namdeo Dhasal, a shy man who was born in a red-light district near the city of Poona, 120 miles from here, and whose angry, provocative works have stirred the most interest.

Buddhist Converts
Virtually all the Dalits are members of the untouchable caste who have converted to Buddhism as followers of Dr. B. R. Ambedkar, one of the authors of the Indian Constitution, who discarded Hinduism in 1956, saying that he could no longer tolerate a religion that upheld the caste system. Dr. Ambedkar, who was born an untouchable, converted to Buddhism three months before his death.

The Dalits themselves claim 10,000 members in Bombay, although the figure is probably about one-third of that. So far they have taken part in several highly publicized demonstrations, including the burning last year of a copy of the Bhagavad Gita, the Hindu bible.

They have also traveled to rural districts outside Bombay, which is the capital of the state of Maharashtra. Their denunciations of the caste system and of peasant landlessness have led to dozens of court cases for incitement to riot.

Smallpox Incidence Up
GENEVA, Jan. 13 (Reuters).—Smallpox cases in the world more than doubled last year because of a sharp increase in India and a resurgence in Bangladesh, the World Health Organization said Friday. It said 132,338 cases were reported throughout the world in 1973.

Obituaries

Lady Patricia Ramsay, 87; Victoria's Granddaughter

LONDON, Jan. 13 (AP).—Lady Patricia Ramsay, 87, granddaughter of Queen Victoria and a great aunt of Queen Elizabeth II, died at her home in Windlesham, Surrey, Buckingham Palace announced yesterday.

She had been ill for several weeks. She is survived by her only child, Capt. Alexander Ramsay of the Grenadier Guards.

"Princess Pat," as she was known, was the daughter of Queen Victoria's third son, Prince Arthur, duke of Connaught.

She was one of the first to break with court traditions and was considered very daring in her day because she played golf, skied and swam and rode a horse astride instead of in a side saddle.

She married Alexander Ramsay, the young naval lieutenant who was her father's aide-de-camp when he was governor general of Canada.

On her marriage, she renounced her titles as princess to become Lady Patricia Ramsay. Her husband later became Adm. Sir

Ted Poston
NEW YORK, Jan. 13 (NYT).—Ted Poston, 67, a journalist for more than 40 years whose byline appeared in the New York Post for 33 of those years, died Friday at his home.

Mr. Poston was the third black reporter hired to work for a major New York daily newspaper—the first at the New York Post. He won many awards for his coverage of politics, racial affairs and crime. He retired in March, 1972.

Mr. Poston's principal impact on American journalism was that he demonstrated that a black reporter could cover stories in the general field. He got, for example, exclusive interviews with Huey Long and Wendell L. Willkie.

After the Huey Long interview, Mr. Poston said, "My city editor figured that if I could handle Huey Long I could handle anyone. The Post never had me specialize in Negro stories."

William T. Kirk
WOODLAND HILLS, Calif., Jan. 13 (NYT).—William T. Kirk, 68, who had held the positions of director of the International Social Service and general director of the organization's American branch, died last Monday after a long illness.

In 1951, Mr. Kirk became general director of the American branch of International Social Service. The branch annually helps about 12,000 Americans in the United States and abroad. The following year he was appointed international director, in addition, with offices in Geneva.

From 1961 to 1971 he was head of the Motion Picture and Television Fund, which operates a home and hospital in Woodland Hills.

Harvey L. Cliburn
SHREVEPORT, La., Jan. 13 (AP).—Harvey Levan Cliburn, 76, the father of concert pianist Van Cliburn, died yesterday in Shreveport's Highland Hospital. Mr. Cliburn was a retired Mobil Oil Co. executive.

Brooks Palmer
NEW YORK, Jan. 13 (NYT).—Brooks Palmer, 73, a leading authority on American clocks, who wrote copiously and lectured widely on his hobby, died last week in a hospital here.

Mr. Palmer, a retired life insurance executive, owned 450 clocks, including a handsome 18th-century "long case" or grandfather clock and such novelties as a 1850 clock shaped like a beer bottle.

Yakov K. Syrkin
MOSCOW, Jan. 13 (UPI).—Yakov K. Syrkin, 79, a prominent professor who specialized in physical chemistry, died last week the Communist party newspaper, Pravda, reported.

Mr. Syrkin was a department head at the Institute of General and Nonorganic Chemistry and an official of the Moscow Institute of Chemical Technology.

He was the first Soviet scientist to use and develop the dipole moment method in the study of molecules, and he measured the dipole moments of about 500 substances.

He set up the department of the structure of matter at the Karpov Physicochemical Institute.

Francisco Capote Macia
MADRID, Jan. 13 (Reuters).—Francisco Capote Macia, 45, a former chief editor of the Spanish news agency Cifra, died here last week.

Energy Crisis Effects Cited

Farmers in EEC Are Seeking Price Rises Ranging to 17%

By David Haworth

BRUSSELS, Jan. 13 (IFT).—Some of the biggest price increases ever demanded by Common Market farmers for their produce have been submitted to the Executive Commission by the European Economic Community's farm lobby. It seeks increases of up to 17 percent.

Such increases are considerably higher than the original calculations that EEC farmers made about cost increases last year. Up to the end of November, the EEC farmers' arithmetic suggested that they should claim an overall average increase of 13.8 percent in 1974.

The farmers blame the upward revision in prices on the energy crisis and its effect on the price of fertilizers. They claim the prices of two basic ingredients in fertilizers have soared in recent weeks. The cost of phosphorus has gone up 300 percent and the cost of nitrogen has doubled.

Among the price rises sought are: 17 percent more for beef, 15 percent more for hard wheat, 15 percent for tobacco, 11 percent for wine and 11 percent for fruit and vegetables.

These demands were made on the eve of a special meeting by the Common Market's farm ministers here tomorrow. France, Italy and Ireland will be requesting—in the face of strong opposition by other members of the EEC—that there should be an immediate 10 percent rise in the price of beef to the producer.

The six other countries claim that such a rise before the settlement of next season's agricultural prices would be inflationary and cause major discontent.

In contrast to the average rise of 17 percent that the farmers want, the Executive Commission calculates that they should be given an increase of only 11.7 percent.

Seeking 17 percent could lead to an even higher EEC rise about farm prices this year than in the 1973 farm price-fixing negotiations.

The EEC farm ministers will have to make a choice between the political effects in each of the member countries that substantially higher food prices would have and satisfying the EEC's extremely strong farm lobby—in which France, for instance, is notoriously sensitive.

Peking Releases
German Held for 20 Years as Spy
HONG KONG, Jan. 13 (UPI).—China has freed Heinrich Lipphardt, a German jailed for more than 20 years on espionage charges, a West German official said.

Mr. Lipphardt, 63, was jailed in 1954 as an American spy. He denied the charge at his trial but was convicted and jailed in Tientsin, according to newspaper reports.

Mr. Lipphardt walked across the Lower Border and bowed when greeted by Rupert Henrichs, the West German consul.

Arrangements were being made to return Mr. Lipphardt to West Germany, where he has kept in touch with an older sister in Hamburg. Mr. Lipphardt first went to China before World War II and ran an import-export business in North China.

English Girl, 16, Faces Charges For Frying Prawns to Death
LONDON, Jan. 13 (AP).—Eleanor Donoghue, 16, faces criminal charges in a British court for cruelty to prawns. Her alibi crime was to fry the prawns to death instead of boiling them.

Her case has so confused the court that it adjourned for nearly two months so that experts can decide such questions as "What is cruelty?" and even "What is a prawn?"

Miss Donoghue works at a fish processing plant near Bow in the north of England. Her job was to dump prawns into boiling water.

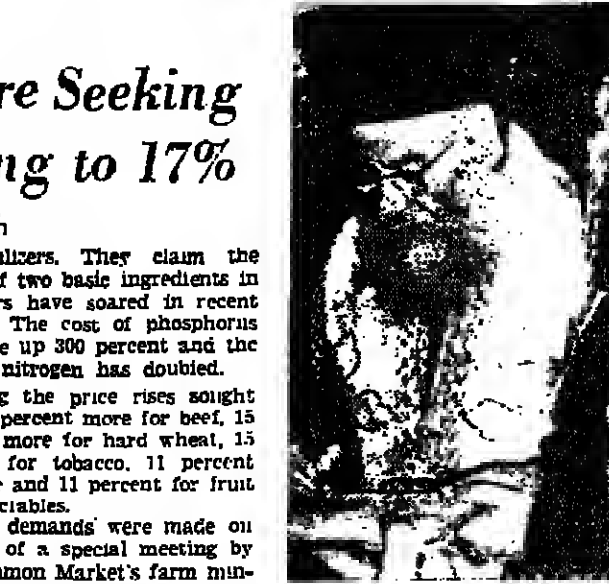
Instead, fellow workers allege, she put prawns on a hot stove and watched as they "jumped about in agony" until they died. Her colleagues reported her to the Royal Society for the Prevention of Cruelty to Animals.

She denies the charge but if convicted faces a maximum fine of £50 or three months in jail.

The verdict could well rest on the court's interpretation of the 1917 Protection of Animals Act which covers any domestic or captive animal, birds, fish or reptiles. Prawns are not mentioned in the act.

Miss Donoghue's lawyer is arguing that prawns are neither animals nor fish, but insects, and therefore not covered by the act. The court session in Duns, near Berwick, was adjourned Friday until March 8.

Meanwhile, expert opinion in London was divided on whether it is possible to be cruel to prawns.



Bishop Seraphim signing acceptance of his election Saturday as the new archbishop of Greece.

Bishops Pick New Head of Greek Church

ATHENS, Jan. 13 (NYT).—A World War II resistance commander of Greece's new military rulers was chosen archbishop-primate of the Greek Orthodox Church yesterday, but many protestants claim that the irregular election procedure used had sown the seeds of dissent in the church.

Bishop Seraphim, 61-year-old metropolitan of Thessalonica, was enthroned as archbishop Wednesday in the Athens cathedral.

His successor, Archbishop Ieronymos, who was made head of the church by the military junta that seized power in 1967. He resigned last month, shortly after a new military coup ousted the government of President George Papadopoulos on Nov. 23. Gen. Demetrios Ioannides installed Lt. Gen. Phaedon Gizikis as president.

Both Gen. Gizikis and Gen. Ioannides served with Bishop Seraphim, who was then a deacon, in the nationalist resistance to the Nazis. He was consecrated bishop in 1940 and became metropolitan of Ioannina, capital of Epirus in northwestern Greece, in 1954 when he had fought the Germans during World War II and the Greek Communists in the civil war of 1947-1949.

The new primate was ultimately chosen by the president after he received a majority of votes from an assembly of bishops that had been purged of the supporters of Archbishop Ieronymos.

A government decree last week had rejected the election of the archbishop in 1967 as "unconstitutional" and had called for another election yesterday. It also disqualified from the voting five bishops who had helped elect Archbishop Ieronymos as well as all 29 bishops consecrated during his tenure.

The decree thus barred 34 of the 66 active bishops of Greece, causing protest and threats of a schism. The government's aim clearly was to prevent the election of a bishop loyal to Archbishop Ieronymos.

Even some of the 32 bishops who had been authorized by the government to vote yesterday objected to the disqualification. Two bishops boycotted the meeting at Petraki Monastery one walked out of it and one refused to cast his vote. All stated that unless the new primate were elected by all 100 bishops of Greece, as is the old church, he would be a schismatic.

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TOKYO—Japan, with the rest of the world, has been suffering in recent months in the wake of the oil squeeze and crushing inflation. Despite these unfavorable conditions, however, there is no doubt that the Japanese economy continues to grow on a firm basis.

As a matter of fact, up to the recent oil crisis, brisk economic activity had been reflected in the trend of business. The Bank of Japan note issues have been increasing at a rapid rate, while businesses held strong positions of liquidity.

Investments in new plants and equipment have remained strong. Interest rates have edged upward. While certain dampening monetary restraints have been seen, considerable time is expected to be required before they can be felt in the general economic activity.

The oil crisis and inflation will undoubtedly bite into the economy. On the other hand, these unfavorable factors cannot be expected to halt Japan's continued economic expansion. In fields other than oil and related products, production continues to gain further momentum, while the consumption demand is growing vigorously.

As a matter of fact, the unfavorable factors mentioned above may eventually prove to have a favorable effect on the economy, in view of the fact that the tendency has been toward "over-heating." Both the government and private industry have been moving positively toward curbing the onslaught of inflation. A big factor has been the postponement of government spending.

With the settlement of the oil issue, Japan's balance of payments will undoubtedly remain in deficit, as greater dependence on imports of

resources like oil, whose prices have already been drastically hiked, will keep Japanese imports at a high level.

Long-term capital outflows will show further increases in keeping with the growth of direct investment abroad.

According to Japanese banks, much is being expected on the domestic price front of vigorous anti-inflation measures centered in monetary tightening. Price advances in Japan, to a large measure, reflect the trend of world inflation, as well as of excessive domestic demand.

Japanese imports grew by a sizable 70 percent during the mid-year term of 1973, compared to the same period of the previous year. Japanese exports, on the other hand, expanded much less rapidly in volume, naturally reflect-

ing devaluation of the yen on a floating basis.

Particularly significant advances into overseas markets have been made by Japanese banks and securities firms. Japan's four major securities companies have been very aggressive in going multinational. Their push overseas is expected to become more active in the field of merchant banking business. Such leading securities firms as Daiwa, Nikko, Nomura and Yamachichi are engaged in a race to expand their networks of overseas branches, subsidiaries and affiliates.

Though their direct overseas investments are centered in America, West Europe and Southeast Asia, they have also been approaching the Middle East. International financing is now their main

concern, in addition to the traditional business of selling Japanese securities and finding clients who want to issue corporate debentures and bonds in Japan.

An epoch-making development in the securities business of Japan during December, last year, was the listing of foreign stocks on the Tokyo Stock Exchange. Major securities companies believe that the event has provided a good chance to gain closer access to foreign companies. One brokerage representative declared: "By underwriting foreign stocks in Tokyo, we will be able to have closer relations with the issuers, most of which are multinational companies. Taking advantage of the relations, we intend to finance multinational firms in the future."

The way for the listing of foreign issues in Japan was paved by the leading securities firms of Japan. The first six foreign stocks to be listed on the Tokyo Stock Exchange include Dow Chemical, First National City Corp., First Chicago Corp., Compagnie Financière de Paris et des Pays-Bas (Paribas), IU International Corp. and General Telephone & Electronics. More than 2,000 shareholders were gained as subscribers for each issue even before the actual listing.

Meanwhile, Japanese banks are moving to establish their positions overseas by setting up branches, joint ventures, subsidiaries and affiliates. A strong step has been taken toward active participation in international financing, in which banks must inevitably lead the way.

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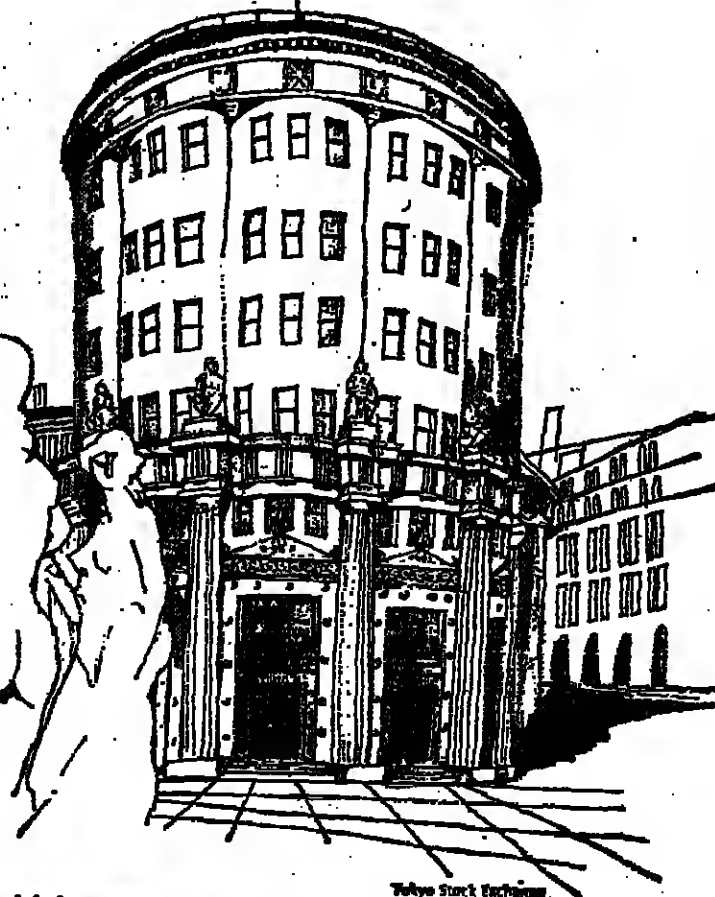
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GT&E stocks will now be traded on the Tokyo Exchange and the same new fund-raising possibilities, as well as exchange-related publicity, will be available to more and more overseas firms in the future. Nikko Securities is ready with the know-how to smooth the way for your listing, too. Helping overseas firms onto the Tokyo Exchange is only one of our many international services.

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"K" Line Cargo Service to Europe

(Continued from Page 7)
Since then, close relations have been maintained between the two companies. With the advent of the container age on the Far East-Europe route and vice-versa, however, it became necessary for "K" Line to assign full container-ship service.

In accordance with the advancement and promotion of containerization on the route, British, German and Japanese member-lines of FEFC formed the Trio Group, while Dutch and Scandinavian member-lines (Norway, Sweden and Denmark) established the Scandutch Group.

These two groups now wield the greatest influence in FEFC. In view of this movement within the conference, "K" Line has been faced with the need to cope with the trend toward greater containerization. But for various historical reasons, a clearcut

stand could not be established immediately.

Facing the urgent demand of the day, however, the time had come when it was no longer possible to ignore the rapid tempo of containerization on the route.

In accord with these objective circumstances, negotiations were carried out with the A.P. Moller Maersk Line and with the other member-lines of the conference on how to realize "K" Line policy.

"K" Line announced that it could finally acquire an independent membership in the conference as the Japanese flag-carrier, from the beginning of 1974, by means of amicable dissolution of its partnership with the A.P. Moller Maersk Line.

In realizing its independent membership in FEFC, "K" Line is grateful to have received strong support from the Ministry of Transport of

Japan, two other Japanese colleague member-lines and many other parties concerned.

"K" Line's High-Speed, Multi-Purpose Cargo Liner M.S. "Scotland Maru" Placed on New Route from January, 1974.

The M.S. "Scotland Maru" was completed in 1970 as one of high-speed cargo liners to be placed on the European route. Its sister ships are the M.S. "England Maru" and M.S. "Wales Maru."

It is a large size (12,214 D/W tons), high output (21.5-knot cruising speed with full load) ship of the semi-off type. In addition to a three-tier hatch, the vessel is equipped with high-efficiency loading devices, such as an 80-ton Shilken mast and 15-ton derrick crane. The ship is a multi-purpose one able to load heavy cargo, refrigerated cargo, pallet cargo and containers.

JAPAN & EUROPE

Japanese Securities Houses in Europe

The following article was written by Mr. Ralph-Franklin Calachi and Mr. Toshio Mori of the Nikko Securities Paris Office.

Since the latter half of the 1960's, Japan has positively pushed its trade and capital liberalization on the strength of its persistent payment surplus. This move was initiated by a marked advance abroad of Japanese firms including trading houses. In general, Japanese banks have followed suit, diversifying their business and consequently diversifying their ways of raising funds and employing them. In that way, the background of the expansion of Japanese financial houses overseas was the consequence of the expansion of Japanese enterprises.

Second to America, the next biggest concentration of Japanese financial institutions is in London. However, in London it is not trading financing, but the Euro markets which constitute the fundamentals. In the last 3 years, because they were cash rich, the most important aspect of Japanese financial business has been the increase in Euro market lending. The Japanese had a highly competitive attitude to such lending by effectively offering borrowers better terms than non-Japanese competitors were prepared to give. Concerning Japanese securities houses, they were able to arrange approximately 50 private placements of foreign bonds in Japan

since this activity began in July 1972 with the European Investment Bank Notes Issue arranged by Nikko and Kuhn, Loeb.

In the beginning, the Japanese Ministry of Finance took the position of encouraging the Japanese securities houses to merge into all Japanese groupings in an effort not to lose control of them. The drawback of this position was that it tended to isolate the Japanese financial houses from the international community, and since 1972 Japanese financial houses have been allowed to participate in existing multi-national consortia. Mitsubishi joined Orion, Sumitomo went into the Société Financière Européenne, and

other banks, such as Rothschild, Intercontinental Bank and Western American Bank Europe, took in Japanese partners.

In Japan, banks and brokerage houses are segregated, but abroad no such restrictions operate and consequently banks have been developing specific vehicles to offer investment banking services often in competition with securities houses. Occasionally banks, such as Sanwa with Namura Securities, have set up a joint Japanese overseas operation, but more frequently it has been with a Western partner, such as Sumitomo with White Weld. On the other hand, Japanese securities houses sought diversification

of the services they offered and created Europe-based investment research and advisory companies such as the Nikko-Warburg Investment Services.

While most Japanese securities houses were busy raising debt for prestigious European issuers, some more sophisticated Japanese houses were also actively developing the equity side. During the last days of 1973, for the first time in its financial history, Japan admitted foreign stocks for quotation on the Tokyo Stock Exchange. To date, among possible European candidates, only one French financial institution is quoted while Nikko is introducing Compagnie Française des Pétroles, which will become the first European industrial corporation to be listed in 1974 on the Tokyo Stock Exchange.

One problem that ought to be mentioned is that such rapid expansion has pointed out the lack of experienced staff. Staff traditionally versed in paper work of international trading and commercial banking was not always equipped for its new role in international finance. This difficulty may give a partial explanation for a reticence to the Japanese Western joint financial ventures. In this fashion, Japanese financial houses have been able to expand into new markets while economizing on scarce staff resources. To this extent, the joint venture course of action can be viewed as a useful temporary solution until Japanese securities houses systematically build up top caliber international departments. In addition, this course of action also helps to minimize resentment among local financial communities. In this connection, with regard to investing in European securities, several ventures have been created in Europe, such as the "Europe Growth Fund" by Nikko, Suez and Sava and Prosper, the "Fund Europe" by Nomura, Deutsche Bank and Société Générale.

The world oil crisis has destroyed Japan's hope for rapid growth in 1974 and the balance of payments has moved into deficit at a much greater speed than was originally desired. Long-term capital outflows totaled approximately U.S. 9 billion dollars in 1973 compared to approximately U.S. 4 billion in 1972. The capital outflow has been caused both by the rush of Japanese banks to lend abroad as they were encouraged by the Japanese Ministry of Finance and the Bank of Japan. The Japanese have also been investing more heavily outside their own country than at any time in postwar history.

Both Mr. Ralph-Franklin Calachi and Mr. Toshio Mori, Manager of the Paris office, believe that the new freedom of Japanese entities to borrow abroad may not be completely realized within European market forces. In Europe, lenders will probably not be able to fully satisfy the financial needs of Japanese borrowers resulting from liberalization. Japanese financial houses and their clients are therefore looking toward the U.S. capital markets. Because the U.S. international markets will probably witness a substantial increase in the number of borrowers, it appears that Japanese financial houses may have a good chance of facing one of their hardest challenges during the year 1974. On the other hand, Japanese corporations' external borrowings may well prove to be the best survival chance for Japanese securities houses in 1974.

An eye for good investments naturally turns to Japanese stocks

Knowing when, what and how much to invest in stocks requires a sharp eye and sharp decisions. If you are considering the Japanese market, we can help sharpen your insight. We're one of Japan's leading integrated securities companies. Our trained staff of experts will give you advice and all the information you need to make good stock investments. Data on latest economic conditions in Japan, market and monetary trends, outlook for individual sectors, performance of enterprises, and other pertinent facts.



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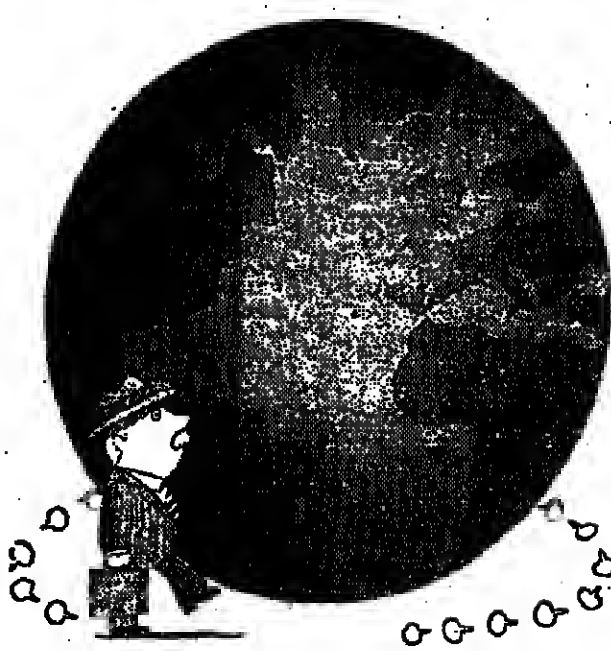
The Sumitomo Bank is growing

As of March 31, 1973, the record shows that our deposits grew. To 4,908,052 million yen (U.S.\$18,458 million), 25.0% over deposits the year before.

Our loans grew. To 4,028,705 million yen (U.S.\$15,151 million), 26.5% over loans the year before.

And our rank grew. To place us among the world's ten largest banks in terms of deposits.

We translate this growth into complete international banking and financing services, including information on markets worldwide, through a network of branch offices, affiliates, and representative offices that is also growing.



CONSOLIDATED BALANCE SHEET March 31, 1973

| Assets | In thousands of yen | In thousands of U.S. Dollars |
|---------------------------------------|----------------------|------------------------------|
| Cash and Due from Banks | 612,296,808 | 2,528,382 |
| Call Loans | 57,360,060 | 215,721 |
| Securities | 827,886,672 | 3,113,526 |
| Loans and Bills Discounted | 4,028,705,173 | 15,151,204 |
| Foreign Exchanges | 297,854,191 | 1,120,174 |
| Domestic Exchange Settlement a/c, Dr. | 21,271,313 | 79,997 |
| Customers' Liabilities for | | |
| Acceptances and Guarantees | 769,221,793 | 2,892,899 |
| Bank Premises and Real Estates | 81,392,280 | 306,101 |
| Other Assets | 21,448,780 | 80,665 |
| Total | 6,777,437,070 | 25,488,669 |
| Liabilities | | |
| Deposits | 4,908,052,081 | 18,458,263 |
| Call Money | 234,874,670 | 883,320 |
| Borrowed Money | 270,559,101 | 1,017,522 |
| Foreign Exchanges | 120,742,115 | 454,088 |
| Domestic Exchange Settlement a/c, Cr. | 14,897,861 | 56,028 |
| Acceptances and Guarantees | 769,221,793 | 2,892,899 |
| Accrued Expenses | 92,698,199 | 348,621 |
| Unearned Income | 25,494,829 | 95,881 |
| Other Liabilities | 34,588,296 | 130,080 |
| Reserve for Possible Loan Losses | 71,230,096 | 267,883 |
| Reserve for Retirement Allowances | 18,639,318 | 70,099 |
| Reserve for Price Fluctuation | 8,796,768 | 33,083 |
| Other Reserves | 9,505,719 | 35,749 |
| Capital (Paid-up) | 50,400,000 | 189,547 |
| Retained Earnings | 147,735,582 | 555,606 |
| Total | 6,777,437,070 | 25,488,669 |

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More Than \$16,000 Million

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TAIYO KOBE BANK is prepared to help you in every way that a bank can help. We have an enormous wealth of experience in banking matters. Experience in scope, and experience in depth. Most important, we have a fresh, ambitious start. A youthful attitude. And a desire to help all of our customers, old and new. We give you more than a new name. We give you more than a new bank. We give you a better way to do international business.



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مكتبة المجلد

Eurobonds

Yo-Yo Currency Rates Scare Investors Out of Long-Term Mart

By Carl Gewirtz

PARIS, Jan. 13 (AP)—Aphorisms gave way to statistics as the dollar failed to hold the gains it had made on a foreign exchange market.

After briefly touching 2.8 DM Frankfurt, the February 1973 rate—the dollar was hit by a wave of profit-taking which dropped the rate back to the level of a week ago. The dollar now is at 2.76 and 2.78, which is just below or at the level of the 1972 official rate, until a clearer assessment is possible on how the higher rate of oil will affect the competitive relationship of West Germany and the United States.

While the retreat has still left a dollar well above the level of exchange that prevailed in 1972, the up-and-down movement in the last few days has caused many investors to jittery and unwilling to think about long-term commitments.

It is not surprising that there is a hoped-for revival of the dollar in the Eurobond market. Last week, prices on the secondary market were off a 10 percent, but more importantly, the anticipated buying has never materialized.

Keeping Liquid
For the time being, investors are not as liquid as they once were, which means that their money is going into Eurocurrency deposits—where rates for currencies are close to 10 percent (annual basis), offering an attractive haven for periods as short as seven days.

This reluctance on long-term will keep the new issue side of the Eurobond market at a low pace, but all indications are, once the investor money

becomes available, activity should boom.

The Japanese and French authorities, who had blocked the international market to their residents when the balance of payments was in a state of no additional inflows could be tolerated, have now relaxed their controls and the German government is expected to do so early this week.

The Japanese are eager to borrow in deutsche marks on the theory that the yen and the DM will move more or less in tandem against the dollar, thereby minimizing their foreign exchange risk.

However, secondary market prices for DM Eurobonds have yields of around 10 percent, which means it is unlikely that the Japanese will try to revive that new issue market in the very near future. Pioneer Electric Corp., however, announced Friday in Tokyo that it plans to float a \$10-million, 15-year convertible rate this year after receiving shareholder approval at a meeting scheduled for March.

It is unlikely, however, that Japanese borrowers will come to the international market before April because the cabinet approved on Friday a plan to suspend the 10 percent withholding tax on the interest payments for bonds issued abroad as of April 1. Parliament is expected to approve the plan later this month, and without the exemption there is not likely to be much enthusiasm for such bonds.

Of course, Japanese borrowers could float bonds through offshore financial subsidiaries—as did the Bank of Tokyo last year. But it is questionable whether they will do so, that additional expense when the two-

Economic Indicators

WEEKLY COMPARISONS

| | Jan. 4 | Dec. 28 | 1972 |
|------------------------|---------------|---------------|--------------|
| Commodity Index | 212.4 | 208.2 | 133.0 |
| Currency in circ. | \$71,887,000 | \$72,471,000 | \$88,623,000 |
| Total loans | \$114,358,000 | \$113,358,000 | \$94,401,000 |
| Steel prod. (tons) | 2,647,000 | 2,700,000 | 2,668,000 |
| Auto prod. | 136,207 | 99,350 | 294,447 |
| Daily oil prod. (bbls) | 8,129,000 | 9,175,000 | 9,414,000 |
| Freight car idls. | 327,489 | 327,489 | 389,810 |
| Class Pwr. kw-hr | 34,685 | 31,352 | 34,281 |
| Buss. failures | 169 | 89 | 125 |

Statistics for commercial agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

| | Nov. | Prior Month | 1972 |
|------------------|-----------------|-----------------|---------------|
| Employed | \$5,688,000 | \$5,688,000 | \$2,525,000 |
| Unemployed | 4,264,000 | 4,000,000 | 4,488,000 |
| Indus't prod. | 117.3 | 117.3 | 117.3 |
| Personal income | \$1,078,500,000 | \$1,078,500,000 | \$977,600,000 |
| Money supply | \$268,800,000 | \$268,800,000 | \$268,800,000 |
| Cash on hand | 137.7 | 137.7 | 137.7 |
| Cons'n contracts | 194 | 191 | 177 |

*000 omitted. Figures subject to revision by source.
Commodity Index, based on 1967=100, the consumer price index, based on 1967=100, and employment figures are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1967=100. Imports and exports are compiled by the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet. Ind. Construction contracts are compiled by the F. W. Dodge Division, McGraw-Hill Information Systems Company.

R- Revised.

year tax exemption is expected to begin in April.

The first of the French borrowers is expected to come to market by the end of this month. Intimidated by the frequent DM devaluations of the last few years, the French are expected to do all of their borrowing in either dollars or units of account, and the German borrowers will have no choice, as no other vehicles are available at present. But

UAs have yet to win broad support from the investing public and the size of the borrowings is much more modest compared to what can be done in dollars. All of this means a heavy flow of dollar-denominated Eurobonds can be expected as soon as investors indicate a willingness to go long-term. The British, who for some time

(Continued on page 11, Col. 4)

No Time for Rule by Reaction

Need Grows for Fast U.S. Action on Economy

By Thomas E. Mullancy

NEW YORK, Jan. 13 (AP)—The need for a more imaginative initiative in Washington to try to cope with increasingly complex economic issues is becoming more compelling with each passing day.

The terrible danger, however, is that the Nixon administration will sit on these problems until it is too late to deal with them effectively as it has done so often in the past. Its critics say that this administration has provided government by reaction, rather than action, planning and foresight in tackling many economic matters.

Economists, businessmen and labor leaders have been talking in that vein. And, periodically, the financial markets have been saying the same thing. The latest round of depression to the stock and bond markets reflects widespread investor pessimism over many economic problems and concern over the inept handling of them in the nation's capital.

The sharp drop in the stock market last week (more than 30 points in the Dow-Jones industrial average) is vivid testimony to investor nervousness. So is the continuing high level of interest rates.

Significant Change

While the recent flow of data on the performance of the American economy has remained mostly encouraging, there has been no undertone in the figures to suggest that the worrisome near-term outlook has changed significantly from earlier cautionary assessments. The lag in the numbers may be making some highly disturbing coming events—and yet Washington seems to be

blissfully oblivious of the gathering storm.

The energy crisis has been capturing the headlines and public discussion—deservedly so. The international currency jitters related to it have also come in for a major share of attention. But the real threat to economic stability has been the rising and escalating pressure of inflation, which has been accorded far and away too little attention.

The major arms of government may be making the same mistake of complacency they made a year ago in grossly underestimating the dimension of inflationary forces.

It was at this time in 1973 that top officials in Washington were confidently proclaiming that in-

flation would soon be receding and that the price level would rise only 2 1/2 percent or so during the year.

Secretary of the Treasury George F. Shultz at that time was busy justifying the sudden shift to a less rigid Phase-3 of the economic stabilization program as the proper formula "to obtain prosperity with reasonably stable prices" and was expressing confidence that prices at the end of 1973 would be no higher than they were then after a "Dow-like" performance during the year. However, the bow sprang, and prices surged upward.

The financial world is jolted last week when the government's monthly report on wholesale prices showed a jump of 2.2 per-

cent for the single month of December. Before its meteoric rise of the last two years, this was a series that had crawled forward and backward by only a few tenths of a percentage point each month and its sensitive industrial commodity component had had virtually no change for 10 years.

In the full year of 1973, however, the overall wholesale index shot up 18 percent. The greatest influence in that thrust was the 68 percent jump in fuel, most of it in the last three months. The 25 percent rise in food costs was another major contributor, as was the earlier rise in lumber.

Worse Price News

Not the bad prospect is that even worse price news lies ahead. The recent doubling of world oil prices (which took place after the government's December wholesale price survey) and the continuing shortage of fuel in the United States are the unhappy likelihood according to the manufacturers. However, trust Co. that "fuel prices will climb at least as steeply as they have in the last three months—an annual rate of better than 150 percent."

Moreover, food prices, which had been declining in the three previous months, resumed their upward in December with a rise of 1.4 percent. That trend is expected to accelerate because of lagging beef and pork production, as well as the low supplies of wheat, the smallest in 25 years.

All of this presages much higher consumer prices in the months ahead, although not necessarily to the full extent of the spurt in wholesale prices. Technology and productivity tend to mitigate the extent of the pass-through to consumers. But productivity has flattened and may now be headed downward.

New York Stock Market

NEW YORK, Jan. 13 (AP)—The stock market wallowed through rough weather last week and, in the process, produced a substantial decline. Prices were depressed by concern over a 1974 recession, large increases in energy costs and galloping inflation rates.

On Friday, the market improved as the Dow-Jones industrial rose 13.7 points to finish at 841.48. But it was in the eyes of Wall Street, essentially a technical rally. There was no compelling news to propel stock prices higher in the final session.

In the three previous trading days, the Dow had plunged a total of 53 points, as old-line glamour stocks, oil and oil-service issues, railroads and other recent favorites took a pounding. Profit-taking also served as a factor in the retreat.

For the full week, the industrial average lost 38.75 points.

It was a week that saw many former glamour favorites wobble to 1973-74 lows. Among these were Simplicity Pattern, Merck, Esso-Kodak, Disney, Avon Products, Pfizer, Eli Lilly, National Cashmere, Kroger, Rite Aid and Amp Inc.

While brokers worried over the energy crisis and assorted other problems, trading volume slowed noticeably. The turnover on Friday was 15.14 million shares, the slowest of the week and well below the "break-even" point for the average brokerage house.

Meanwhile, in the bond market, new issues of high-grade utilities moved higher. Yields on treasury bills also rose during the week.

Over-Counter Market

NEW YORK (AP)—Weekly Over-Counter Market listings follow. The list includes prices for the week ending Jan. 12, 1974. All quotations are in dollars and cents, unless otherwise indicated. Prices are for 100 shares, unless otherwise indicated. Prices are for 100 shares, unless otherwise indicated.

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Prices are for

Domestic Bonds

| Bonds | High | Low | Last | Net |
|----------------|---------|---------|---------|-------|
| Abex 8 1/2% 77 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 78 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 79 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 80 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 81 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 83 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 84 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 85 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 86 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |



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Forward Contract
Exchange Co. Ltd.
Jan. 14, 1974 Mar. Jun. Sep. Dec.
Close 74 74 74 74 74
DJIA 841.48 835 837 835 835
FTI 337.4 330 330 335 335
BSE 340 342 345 349
TKD 407.11
BSE 3075 3080 3080 3075
Other 4200 4200 4200 4200
Amsterdam Index 16102 Index 16102

Bond Sales on the New York Stock Exchange

| Bonds | High | Low | Last | Net |
|----------------|---------|---------|---------|-------|
| Abex 8 1/2% 77 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 78 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 79 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 80 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 81 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 82 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 83 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 84 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 85 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 86 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |

| Bonds | High | Low | Last | Net |
|----------------|---------|---------|---------|-------|
| Abex 8 1/2% 77 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 78 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 79 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 80 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 81 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 83 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 84 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 85 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 86 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |

| Bonds | High | Low | Last | Net |
|----------------|---------|---------|---------|-------|
| Abex 8 1/2% 77 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 78 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 79 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 84 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 85 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
| Abex 8 1/2% 86 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |

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| Abex 8 1/2% 80 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 85 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 80 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 80 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |
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| Abex 8 1/2% 86 | 102 1/2 | 101 1/2 | 102 1/2 | + 1/2 |

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BLONDIE



CHESS

By Robert Byrne

Theoretical A synonym for unoriginal. How can anyone who follows a book theory closely think of stronger and more original moves?—thus Tchigorin railed against Steinitz's heavy emphasis on positional play.

Their lifelong dispute was as much a battle of egos as a clash of opposing concepts of play. Steinitz was wont to identify his personality with his theory and his theory, in turn, with the game itself, while Tchigorin preferred to regard himself as the noble savage, exempt from all rules and precepts.

Tchigorin felt that theory was constricting, blunting the power to create brilliant, unique combinations. What Tchigorin failed to grasp was that theory is to be used, often creatively, and that only when it is allowed to become stale can it stand in the way of fresh thinking. After all, it was the theoretician Steinitz who played the most dazzling, consistent (in game 4) of their 1892 world championship match, and it was Steinitz who won, 12½-10½.

Many A Slip... However, in assessing the talent of a young player, it is tactics and combinations that provide the more reliable index, since his possession of theoretical knowledge may mark him as merely an excellent student. Thus, for his sharp tactical play, Norman Weinstein, the 23-year-old winner of the recent Chicago International Tournament, must be ranked as the current crop of young Turks.

In his game with Craig Chellstorp from the Chicago tourney, Weinstein clearly showed his stuff. With the rarely played 5 P-Q4, Weinstein sought an open game and, with 10 R-K1, he avoided the pitfall 10 R-N5? P-B3; 11 R-P2, N-R4; which gave Euwe (Black) a clear advantage against Reshevsky in Dubrovnik, 1950. Chellstorp's 11... Q-Q2 determinedly avoided it...

Chellstorp recovered two pieces for rook and pawn with his moves 21 and 22, but the resulting position was quite hopeless for him despite the bishops of opposite color. He could not play 23... QxP? because of 24 Q-K7! and, after Weinstein's 27 Q-N5!, Chellstorp had to resign, lacking a defense to 28 R-K7! or 28 B-Pch!

White: Weinstein Black: Chellstorp

1 P-K4 P-K4 10 R-K1 10 R-K1

2 N-B3 N-Q3 11 N-P2 11 N-P2

3 B-N5 P-Q3 12 Q-B3 12 Q-B3

4 B-R4 N-B3 13 Q-B3 13 Q-B3

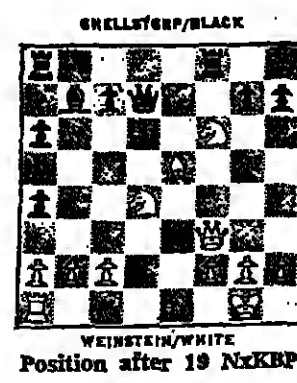
5 P-Q4 P-P 14 N-B3 14 N-B3

6 D-O B-P2 15 R-K5 15 R-K5

7 R-K1 P-B4 16 B-N 16 B-N

8 P-K3 N-P 17 B-B 17 B-B

9 R-N B-P3 18 N-QP 18 N-QP



Position after 19 N-KRP

B-Q2; 12 Q-B3; O-O; 13 N-B6, B-N; 14 Q-B3, which lets White recover his pawn with the slightly better pawn formation. However, Chellstorp could not continue with 14... B-N2 (14... P-B3; 15 N-BP, because of 15... N-B5, P-Q1; 16 Q-R-Q1; P-B3; 17 N-KP, giving White a great advantage in development and mobility. Still, he might have plunged into 14... P-B4, for after 15 R-B1, QxR; 16 N-QP, Q-Q3, it is not clear how White could have secured the advantage.

After Weinstein's 15 R-K5, Chellstorp's 15... B-Q3, yielding two minor pieces for a rook, was futile. Weinstein simply ignored 17... P-KB3 by playing 18 N-QP, breaking out of Chellstorp's pin 18... B-N2 by means of his smashing 19 N-KRP.

Ready for Anything Weinstein was ready to meet 19... QxP? by the annihilating 19... Q-R5, while 19... P-N would have fared no better after 20 B-Pch, Q-N2 (21... K-N1?; 22 N-B5! with a quick mate), giving White a winning ending.

Chellstorp recovered two pieces for rook and pawn with his moves 21 and 22, but the resulting position was quite hopeless for him despite the bishops of opposite color. He could not play 23... QxP? because of 24 Q-K7! and, after Weinstein's 27 Q-N5!, Chellstorp had to resign, lacking a defense to 28 R-K7! or 28 B-Pch!

White: Weinstein Black: Chellstorp

1 P-K4 P-K4 10 R-K1 10 R-K1

2 N-B3 N-Q3 11 N-P2 11 N-P2

3 B-N5 P-Q3 12 Q-B3 12 Q-B3

4 B-R4 N-B3 13 Q-B3 13 Q-B3

5 P-Q4 P-P 14 N-B3 14 N-B3

6 D-O B-P2 15 R-K5 15 R-K5

7 R-K1 P-B4 16 B-N 16 B-N

8 P-K3 N-P 17 B-B 17 B-B

9 R-N B-P3 18 N-QP 18 N-QP

10 R-K1 10 R-K1

11 N-P2 11 N-P2

12 Q-B3 12 Q-B3

13 Q-B3 13 Q-B3

14 N-B3 14 N-B3

15 R-K5 15 R-K5

16 B-N 16 B-N

17 B-B 17 B-B

18 N-QP 18 N-QP

19 N-KRP 19 N-KRP

20 B-Pch 20 B-Pch

21 Q-R5 21 Q-R5

22 N-B5 22 N-B5

23 Q-K7 23 Q-K7

24 Q-K7 24 Q-K7

25 R-K7 25 R-K7

26 B-Pch 26 B-Pch

27 Q-N5 27 Q-N5

28 R-K7 28 R-K7

29 B-Pch 29 B-Pch

30 R-K7 30 R-K7

31 B-Pch 31 B-Pch

32 R-K7 32 R-K7

33 B-Pch 33 B-Pch

34 R-K7 34 R-K7

35 B-Pch 35 B-Pch

BOOKS

OBEDIENCE TO AUTHORITY:

An Experimental View

By Stanley Milgram. Illustrated. Harper & Row. 224 pp. \$10.

Reviewed by Christopher Lehmann-Haupt

SO the awful truth threatens to dawn. And if we can believe what the social psychologist Stanley Milgram contends in his "Obedience to Authority: An Experimental View," then we must stop sneering at bureaucrats who insist that they are only "following orders." We need no longer wonder why a pleasant-seeming fellow like Lt. William L. Calley Jr. slaughtered those civilians at My Lai. We can stop probing for the monster in Adolf Eichmann and finally accept Hannah Arendt's contention that in Eichmann's case the evil was banal. We can understand Nazi Germany, Vietnam, Auschwitz, Alexander Solzhenitsyn's "Gulag Archipelago" and all the other historical instances where ordinary people have acted inhumanely without provocation commensurate to their deeds. And we can pretty much throw in the towel on the future of civilization in a world where there are pecking orders, assembly lines and death by remote control.

For Stanley Milgram has gone into the laboratory and discovered an appalling fact about people—that most of us would rather follow orders than obey our humanitarian instincts. In a diabolically clever experiment he designed a decade or so ago at Yale University, Prof. Milgram invited his subjects to teach random word pairs by delivering a series of increasingly powerful electric shocks for every wrong answer given by the "victim." To his astonishment, more than 60 percent of his subjects complied, even though the "shocks" (which were of course fake) ranged up to 450 volts and were designated to the subjects as "dangerously severe," and even though the "victim" (who was of course a trained actor) would begin protesting pain at 150 volts and would be screaming in agony and begging to be released from the experiment from the 300-volt level on up.

Whatever it took to resist the schedule of "prods" delivered by the "experimenter" ("The experiment requires that you continue!" and so on) and to break the terms of the experiment, the majority of subjects were unable to resist inner pressures, even when they were feeling severe anxiety over what they found themselves doing. The authority of "science" (or whatever) was simply too imposing to defy, the temptation to evade responsibility too strong. And so, after fiddling with all the variables and constructing theoretical models, Prof.

No, nothing seems wrong with the experiment itself or with the conclusion that some people "in wider social life" are depressingly obedient to authority. The trouble with this book lies elsewhere. Part of it lies in Prof. Milgram's claim that "the people studied in the experiment [were] representative of the general population" and not "a special group." For it seems paralyzing to describe as representative of all humankind a group of people, most of whom participated in the experiment out of a curiosity about "science" and for a fee of \$4 plus carfare.

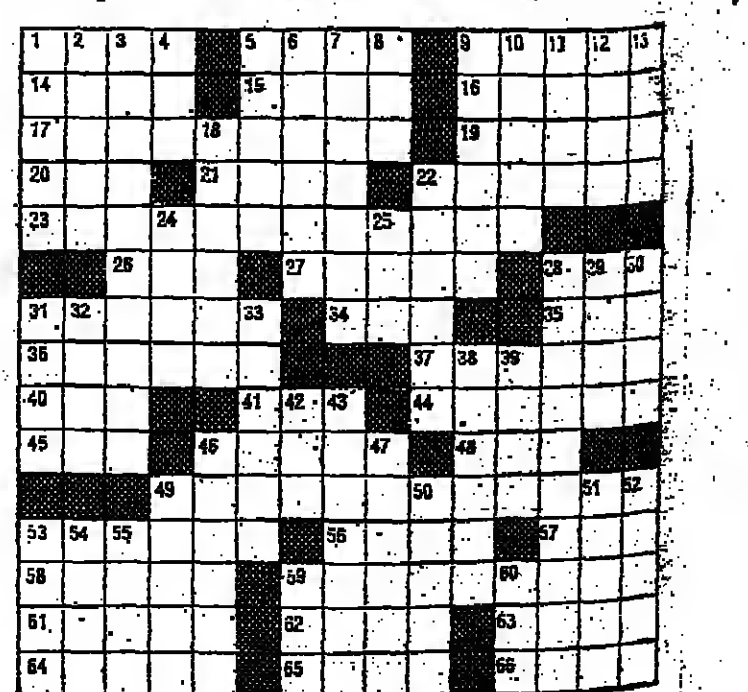
But the biggest share of the trouble lies in Prof. Milgram's astonishing leap to apocalyptic pessimism over the future of humanity. True, it is disturbing that 60 percent of his subjects obeyed; and his speculations on why they did so are interesting. But it seems far more significant that as much as 40 percent of his so-called "ordinary people" disobeyed; and his failure to explore this fact further is most curious. If 40 out of 100 "ordinary people" were able to overcome what Prof. Milgram judges to be a fatal flaw nature has designed into us, then the chances for our species' survival seem a good deal better than "modest." And what Prof. Milgram ought to be exploring—and constructing theoretical models to explain—is not why the majority of people are blindly obedient (if indeed they are), but why the minority is heroically disobedient.

Mr. Lehmann-Haupt is a New York Times book reviewer.

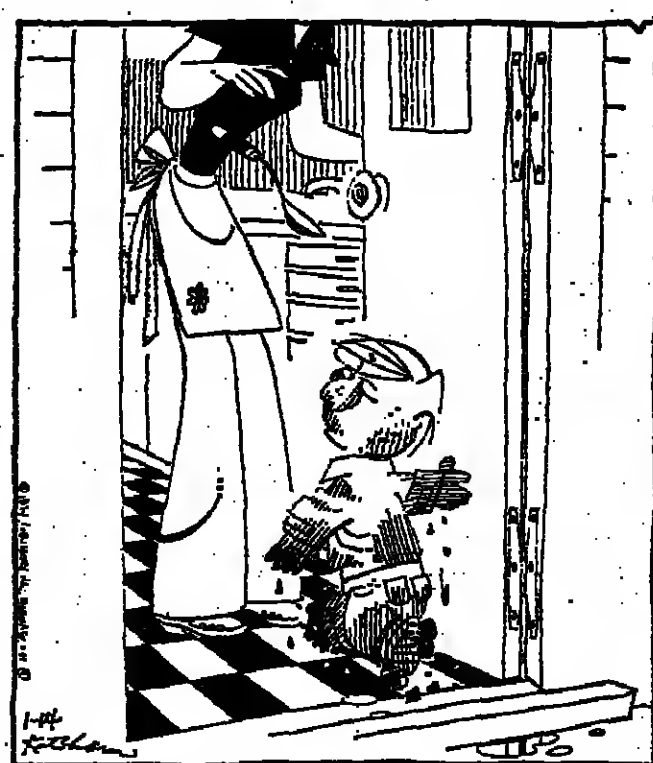
CROSSWORD

By Will Wang

- ACROSS**
- Riot item
 - Der —
 - "Romansholm" author
 - Inky
 - Very, in Bonn
 - Type of urban pollution
 - Rear-seat occupant
 - Fort of 9 Across
 - Time: Lat.
 - This other
 - Boarder
 - Peter Piper picked, e.g.
 - Cleaver's where
 - Type of campaign
 - Peer Gyn's mother
 - Swirls
 - British pie ingredient
 - Cracow's land. Abbr.
 - Resident of Geneva
 - Marches the colors
 - Work on hides
 - Slower, in music: Abbr.
 - Work on hides
- DOWN**
- I.Q. organization
 - Bubbling town
 - Finishing
 - The — of the Affair
 - Stage direction
 - Pries
 - of the Game
 - Go astray
 - Not al fresco
 - Nonmetallic element
 - High school subj.
 - Bradley et al.
 - Penitential symbol
 - "Cuckoo" or "whippoorwill," e.g.
 - My children...
 - Hog down
 - Cricket positions
 - Viola maker
 - By-the-numbers painters
 - Having heavy hair
 - Mr. Root
 - Laugh, in Lyons
 - Sinhal
 - Sanskrit poet
 - Decorate again
 - King of Judah et al.
 - Anna's destination
 - Sallinger heroine
 - Far's companion
 - Makes fast again
 - Venice's Wall Street
 - Heron's relative
 - Golf necessity
 - Deification
 - Frat member
 - Or —
 - This, in Spain
 - 1879 Alliance of
 - Pulpit wisdom
 - Farm implement
 - I thought at the time
 - the master of my fate
 - Irish bay
 - New York city
 - Having steps
 - Aquatic mammal
 - Maine college town
 - Prefix with mural
 - Beasts of burden
 - Tibetan figure
 - Moslem priest
 - Capital of Yemen
 - One of two N.T. books: Abbr.
 - David's officer



DENNIS THE MENACE



هكذا من الجليل

After beating Ecuador 5-0 earlier this month, they were due to play Argentina, but the Argentine government refused to allow the match to take place because of the apartheid issue.

Borg Wins

AUCKLAND, New Zealand, Jan. 13 (Reuters).—Bjorn Borg, 17-year-old Swedish tennis star, beat New Zealand's Onny Parun 6-4, 6-3, 6-1, to win the men's singles in the New Zealand Open tournament here today.

Evonne Goolagong of Australia won the women's singles, defeating American Ann Kiyomura, 6-2, 6-1.

Bob Wynn, the second-round leader, slipped to a 73 and was in a group at 238.

Defending champion Bruce Crampton, of Australia, and Lee Trevino were out of it. They were tied at 217, 13 strokes behind. Each had a 72. Tom Weiskopf failed to qualify for the final round, but he was in the group with Arnold Palmer, are not competing.

Miller needed only 27 strokes on the green. He had three birdies in the first round, a double birdie pair of 15-footers, for holes and got still another from 20 feet.

THIRD-ROUND LEADERS

| | |
|---------------------|--------------|
| Jodymy Barber | 66-69-66=204 |
| Sally Miller | 66-68-64=198 |
| Phil Rodgers | 71-69-59=199 |
| Henk Huisman | 73-67-59=207 |

| WORLD CUP STANDINGS | | Points |
|---------------------|-------|--------|
| Gro. Italy | | 100 |
| Switzer. Austria | | 74 |
| Calcutin. Swiz. | | 70 |
| Stricker. Italy | | 58 |
| Winterthur. Austria | | 52 |
| Thoeni. Italy | | 55 |
| St. Gallen, Austria | | 41 |
| St. Gallen, Austria | | 40 |
| St. Gallen, Austria | | 43 |
| Plant. Italy | | 40 |
| Neureuther. W. Ger. | | 40 |

Turn Turn Pro

STON ROUGE, La., Jan. 13 (AP)—Rodney Milburn, the record holder and Olympic medal winner in the 110-foot high hurdles, has explained to his professor that he is not a "pro" because he is not a "pro" in this month of March. "I am a senior at Southern University," said his attorney, "and I am not a professional athlete." The International Association, which runs the tour.

